PASADENA
1886
1986
CENTENNIAL

Pasadena, starting as the Indiana Colony in 1875, was incorporated in 1886 and is now celebrating its Centennial Year.

At the Western edge of the fast-growing San Gabriel Valley, Pasadena is becoming the area's administrative and financial center.

Today, it is a city of 128,000 with a diverse ethnic population; $1.3 billion dollars in retail sales; and a property tax base of $4.7 billion dollars.

Featured on the cover of this Annual Report are the baroque dome of Pasadena City Hall, an overview of the resurgent downtown area, and the new Plaza Pasadena Shopping Center.

Pasadena's economy has enjoyed a 300 percent increase in retail sales over the past decade. The local economy now produces $1.6 billion annually. During the past four years, commercial office space has grown more than 30 percent. Major corporate locations in the city include headquarters for Avery International, Avon Products, Bankamericard Center, First Interstate Mortgage Corporation, Jacobs Engineering Group, Inc., Kaiser Permanente, Pacific Bell and Ralph M. Parson Company.

Pasadena's healthy economic climate adds new lustre to the city's fine educational and cultural institutions. This is the home of the California Institute of Technology, Jet Propulsion Laboratory (JPL), and the Art Center College of Design. World-class museums such as the Norton Simon Museum and the nearby Huntington Library, Art Gallery and Botanical Gardens bring scholars and art lovers into the city. Famous stages for the performing arts are found here: Ambassador International Cultural Foundation; Pasadena Playhouse; and the historic Civic Auditorium.

Pasadena's neighborhoods are unique. Early residents engaged such architects as Charles and Henry Greene and the firm of Marston, Van Pelt and Maybury. Good taste and classic architectural styles helped develop a community that remains notable for distinctive structures unique to the Pasadena area. Modest residential areas reflect the same care in style and construction.

As Pasadena enters its second century, the community continues to promote excellence in commercial and residential development. Pasadena's city government strives to maintain a high quality of life for all residents.

S0835-1

CALIFORNIA STATE BOARD OF EQUALIZATION

1985-1986 ANNUAL REPORT

FISCAL YEAR
ENDED JUNE 30, 1986

BOARD MEMBERS

WILLIAM M. BENNETT
KENTFIELD
First District

CONWAY H. COLLIS
LOS ANGELES
Second District

ERNEST J. DRONENBURG, JR.
SAN DIEGO
Third District

RICHARD NEVINS
PASADENA
Fourth District

KENNETH CORY
SACRAMENTO
State Controller

•

DOUGLAS D. BELL
Executive Secretary

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Kenneth Cory, State Controller 13

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STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

WILLIAM M. BENNETT
First District, Kentfield

CONWAY H. COLLIS
Second District, Los Angeles

ERNEST J. DRONENBURG, JR.
Third District, San Diego

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

The Honorable George Deukmejian
Governor of California

Dear Governor Deukmejian:

We are pleased to furnish to you the Annual Report of the State Board of Equalization for the 137th fiscal year, ended June 30, 1986. It includes a review of revenue activities assigned to the Board and a statement of our expenditures to administer them.

There is also included statistical information concerning both property and business taxes in which the Board is involved with state and local governments.

Respectfully submitted,

Richard Nevins, Chairman
Conway Collis, Vice Chairman
William M. Bennett
Ernest J. Dronenburg, Jr.
Kenneth Cory, State Controller

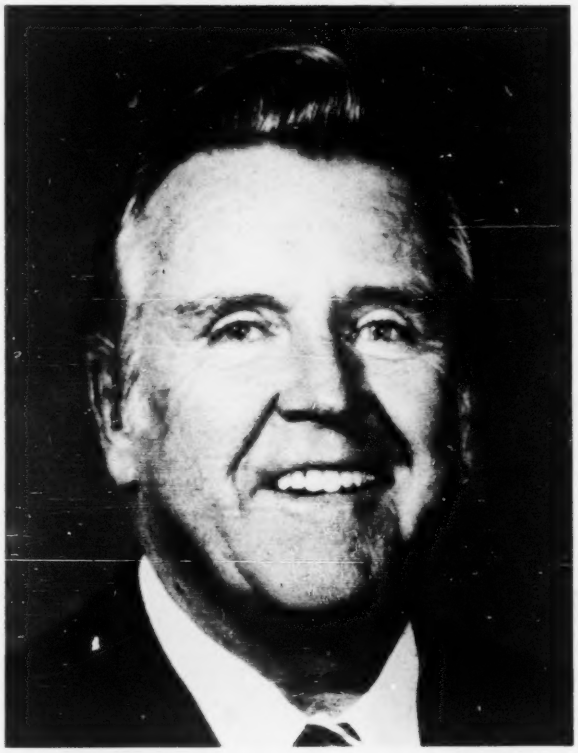
Douglas D. Bell, Executive Secretary
December 31, 1986

EQUALIZATION DISTRICTS
CALIFORNIA STATE BOARD OF EQUALIZATION

BOARD MEMBERS I.

First District

WILLIAM M. BENNETT



William M. Bennett began serving his fifth term as a Member of the Board of Equalization in January 1987. Mr. Bennett was reelected to represent the Third Equalization District in November 1982. However, under the 1983 reapportionment of the Board, that District was redesignated the First Equalization District and was expanded from 28 to 33 northern California counties.

Mr. Bennett is Chairman of the Board's Valuation of State Assessees Committee and of the Timber Advisory Committee. He served his first term as Chairman of the Board in 1972. When Board Chairman John Lynch died in office in December 1975, Mr. Bennett was serving as Vice Chairman. He was elected Chairman to complete Mr. Lynch's term, and was reelected in 1976, 1977, 1979, 1982, and 1983.

Mr. Bennett is a member of the State Bar of California and has been admitted to practice before the United States Supreme Court, appearing on behalf of the State of California eight times in significant criminal, civil, and antitrust litigation. He has practiced extensively before both state and federal regulatory agencies and commissions. In 1969, Mr. Bennett was permitted by the U.S. Supreme Court to make a special appearance as a self-appointed "consumer spokesman" to present an argument in antitrust litigation involving the El Paso Natural Gas Company. It was the first time in the history of the Court that an individual who was neither a party to a case nor representing a specific client was permitted to make such an extraordinary appearance.

Mr. Bennett began his government career as a Deputy Attorney General of California and served in that capacity for 12 years. In 1958, he was appointed chief counsel to the California Public Utilities Commission; in 1962, he was appointed a member of that Commission and later served as its president.

Mr. Bennett was born in San Francisco in 1918. He and Mrs. Bennett have four children: William, Jr., James, Michael, and Joan. During World War II, Mr. Bennett served as a captain in the Air Force, completing 50 missions in the 15th Air Force over Europe. Mr. Bennett has been a professor of law, teaching administrative law and consumer protection courses at Hastings College of Law, University of California, San Francisco.

Second District

CONWAY H. COLLIS

Conway Collis represents the Second Equalization District which includes the western and San Fernando Valley portions of Los Angeles County, all of the coastal counties north through and including San Francisco, and most of the San Joaquin Valley counties. During 1986, he served as Board Vice Chairman as well as chair of the Board's Legislative Committee.

Since California is the only state that directly elects officials to oversee the state's tax system, Collis has sought to do more than simply administer tax laws—he has actively tried to serve as an ombudsman or "taxpayer's representative" for the people in his district.

The cornerstone of that commitment is the "open office days" that Collis has held throughout his sprawling district. As part of his efforts to make the tax system more accessible and less threatening to the average citizen, the "open office days" give taxpayers a chance to talk directly with Collis about their tax problems. Hundreds of people have thus far availed themselves of this opportunity to take their tax problems "to the top."

Collis has worked towards lessening red tape for individual and business taxpayers, as well as reforming California's tax policy. He has advocated reducing the state's sales tax by closing several special interest loopholes and has sponsored a ballot initiative that—by conforming the state system to the federal—would greatly simplify the filing of state income tax returns. Collis also led the state's lobbying effort to make federal tax reform fairer to California taxpayers.

Before Collis became a Board Member, taxpayers who relied in good faith upon advice of Board staff that proved erroneous were subject to penalty and fines anyway. Collis successfully pushed legislation to end that outrageous practice and to provide safeguards for taxpayers dealing with the Franchise Tax Board. Another high priority is his proposal to make tax credits available to businesses which provide child care services for employees. When available, it should result in additional and safer care for California's children.

Collis was born in Chicago, Illinois, in 1948 and moved to California in 1966. He graduated with honors from Occidental College in 1970 and from Stanford Law School in 1974. After graduation from Stanford, Collis served as a counsel on the U.S. Senate Labor and Human Resources Committee and as domestic policy advisor to U.S. Senator Alan Cranston (1974–1977) in Washington, D.C. Returning to California, he directed Senator Cranston's statewide field and finance operations from 1978–1980. Before resigning to run for the Board of Equalization in 1982, Collis was Executive Director of the U.S. Senate Democratic Leadership Circle.

A former high school and college athlete, Collis runs, lifts weights, and holds a black belt in karate. He is married to Margaret S. Henry, a practicing attorney in Los Angeles. They have one child, Everett Henry "Rocky" Collis.

Third District

ERNEST J. DRONENBURG, JR.

Ernest J. (Ernie) Dronenburg, Jr. is the first Republican elected to the Board of Equalization in 24 years. In both his 1982 and 1986 reelection victories he received more than a million votes. His district, which extends from Mono County to the Mexican border, includes the urban areas of San Diego and Orange County. The district has more than six million people and covers a geographical area larger than the states of New York and Pennsylvania combined.

Mr. Dronenburg served as Chairman of the Board in 1981 and 1985. He was Vice Chairman in 1980, 1983, and 1984.

Mr. Dronenburg grew up in San Diego and graduated from San Diego State University in 1966 with a B.S. degree in finance and accounting and a B.A. degree in economics. After graduation he worked for five years as an industrial engineer for NCR and the Rohr Corporation.

In 1971, he was employed by the Board in the Business Taxes Department as an auditor, and was a field audit supervisor at the time of his election to the Board in 1978. Though many have attempted it, Mr. Dronenburg is the first employee in the 107-year history of the agency to be elected to the constitutional office of Board Member.

Prior to his election, Mr. Dronenburg was also a businessman in his own right. In 1973, working in his off hours, he helped start a racquetball equipment distributing company. Two years later, he founded a racquetball and tennis racket manufacturing company.

Mr. Dronenburg's professional affiliations include membership on the Executive Committee of the National Association of Tax Administrators and membership in the National Association of Accountants. He is President of the 14-state association of tax administrators, WATSA, and a member of the Board of Directors of the Western Tax Association. He has had papers published in several tax journals and is the developer of the Wages and Salaries (WAS) Index theory for indexing the California Personal Income Tax.

Mr. Dronenburg's community activities include membership on the Board of Directors of San Diego County Youth for Christ, the Board of Directors of the Clair Burgener Foundation for Developmentally Disabled, the Board of Governors of the United Cerebral Palsy Association of San Diego County, the San Diego Kiwanis Club and the San Diego County Association for Retarded Citizens. He is also a member of the College Avenue Baptist Church and serves as Church Financial Auditor.

He and his wife, Kathryn, and three daughters, Kristin, Amy, and Stephanie, live in San Diego County.

Fourth District
RICHARD NEVINS

Richard Nevins, when first elected to the Fourth District in 1958, represented the eight southern California counties with a population of 11 million. The 1971 and 1983 reapportionments reduced his district to 6 million people in Los Angeles County, the central core of California's business economy. Although relatively small by geographical standards, the new district's gross product and personal income exceed amounts registered by all but a few nations of the world, and are greater than 41 states in the nation. Mr. Nevins is chairman of the Board's Committees on Personnel Management and Equal Employment Opportunity; Information Management; and Tax Information. Nevins served as Chairman of the Board in 1986, 1984, 1980, 1971 and 1968.

As a member of the Board, Mr. Nevins' principal interest has been in improving the administration of tax laws. He believes that well-trained employees, coupled with effective business equipment tools and communications with the business taxpayers, bring about the most efficient and economical administration of taxes. He has continuously supported property tax reform to establish uniformity throughout the state with a goal of full understanding of these complex tax laws by all taxpayers through consultation, public hearings, and availability of information.

LOS ANGELES COUNTY
(Southern and Central Portion)

Nevins believes overall review of California's tax structure is long overdue to insure that no one group receives special tax breaks or advantages at the expense of other taxpayers.

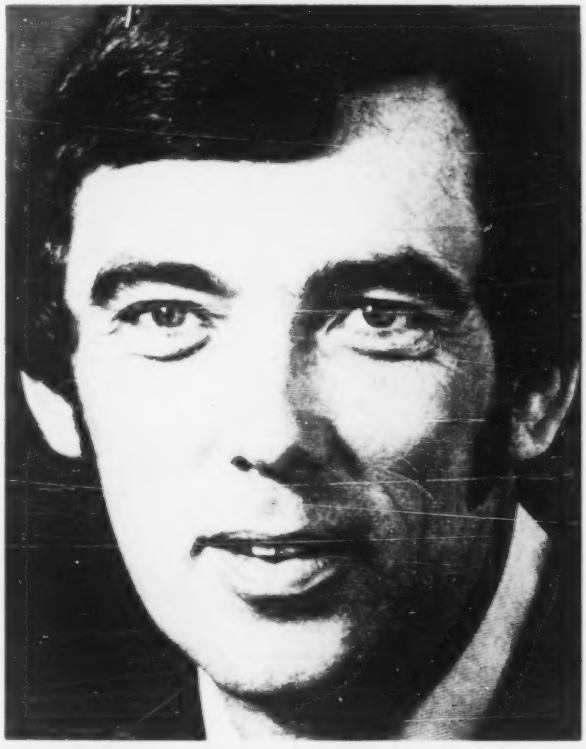
Mr. Nevins has been active in, and affiliated with, many professional and service organizations. He was President (1984–85) of the National Association of Tax Administrators, Vice President (1983–84), Secretary (1982–83) and a continuous Executive Committee Member since 1980 as well as Chairman (1984–85) and Finance Chairman (1983–84) of the Federation of Tax Administrators. He is also a member of the Western States Association of Tax Administrators, serving as an Executive Committee member (1973–84); Western Governmental Research Association; National Tax Association—Tax Institute of America; California Assessors' Association; International Association of Assessing Officers; and the American Society for Public Administration, past president of Los Angeles Chapter (1966–67). He is the recipient of the ASPA Earl Warren (1968) and Will Baughman (1980) Awards.

Mr. Nevins married Mary Lois Minton in 1946. They live in Pasadena and have three married sons, two granddaughters, and one grandson. Nevins is a graduate of Yale University and a veteran of the U.S. Army Air Force.

Mr. Nevins did not run for re-election in November 1986. State Senator Paul Carpenter was elected to succeed Mr. Nevins as the Fourth District Member.

State Controller

KENNETH CORY



Kenneth Cory became California's 26th State Controller on January 6, 1975, after winning election in November 1974. He was elected to a second term in 1978 and a third term in 1982.

Before becoming Controller, Mr. Cory was elected to four consecutive terms in the California State Assembly, representing the 69th District in Orange County which included his home city of Westminster. Earlier he served as Chief Consultant to the Assembly Education Committee and as Chief Administrative Officer of the Assembly. He has also engaged in farming and the insurance business.

In 1970 his colleagues in the Assembly elected him chairman of the Democratic Caucus. As chairman of the Legislature's Joint Committee on Public Domain, he gained recognition for his investigation of price-fixing practices by major oil companies in California. He served as a member of standing committees on Education, Elections and Reapportionment, Revenue and Taxation, and Ways and Means.

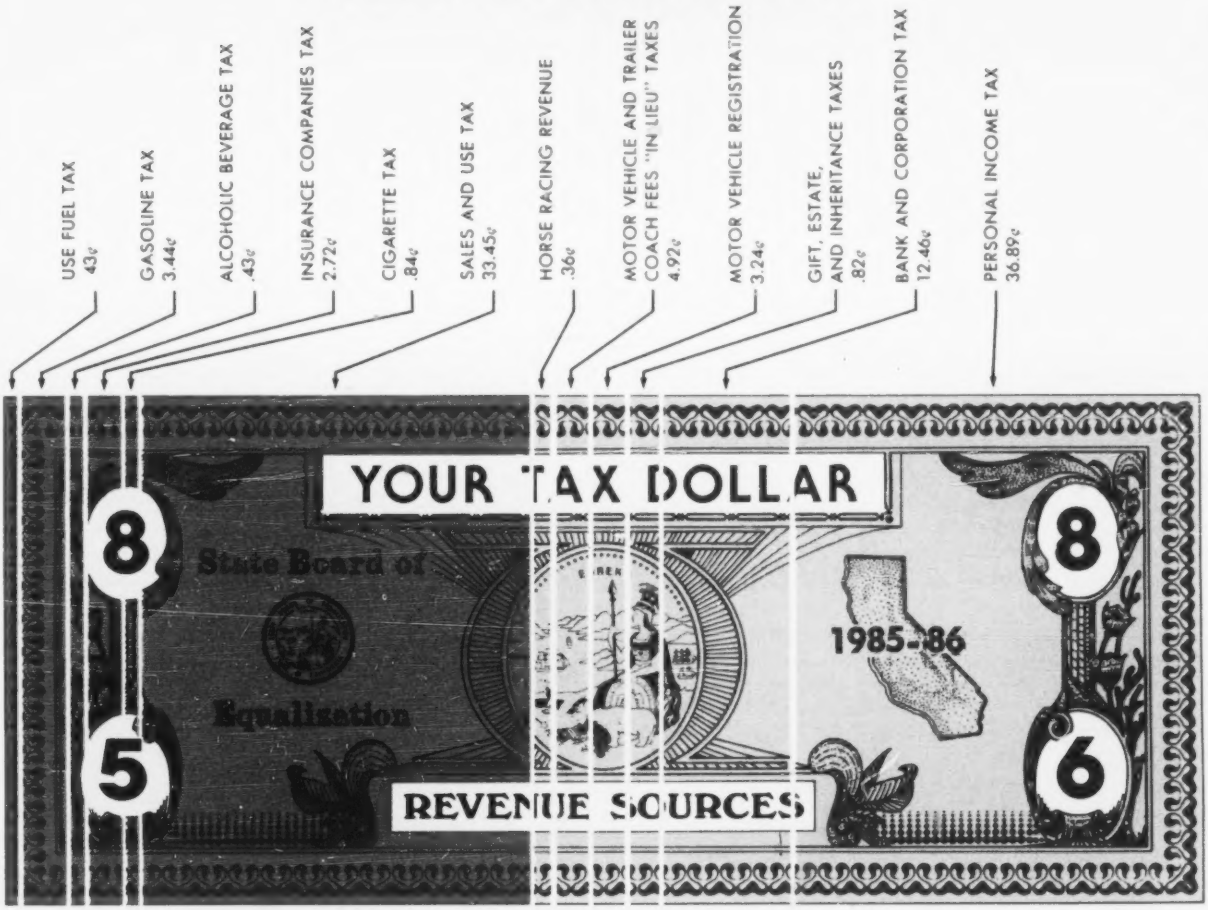
Mr. Cory is known as one of California's leading authorities on education and school finance. He is the author of several important pieces of education legislation including bills to require instruction on dangerous drugs in public schools, to establish classes for multi-handicapped youngsters, and to enable schools to use resources of the private sector to develop innovative programs to improve reading and arithmetic instruction. He also led the fight for Superintendent of Public Instruction Wilson Riles' early childhood education legislation.

Successful Cory environmental legislation now guarantees public access to beaches and gives tax incentives to motorists driving vehicles powered by non-polluting fuels. In November 1972, voters approved the Cory-authored constitutional amendment guaranteeing citizens the right of privacy. His consumer protection efforts were recognized by the Consumers Legal Action Council in 1972 when he was named Southern California Consumer Legislator of the Year.

Born in Kansas City, Missouri, Mr. Cory moved to southern California with his parents in 1939 when he was one year old. He is a graduate of Huntington Beach High School and attended Orange Coast College, the University of Southern California and the University of California, Berkeley and Los Angeles.

Mr. Cory did not run for re-election in 1986. Assemblyman Gray Davis was elected State Controller in November 1986.

SOURCES OF STATE REVENUE


USE FUEL TAX 43¢
GASOLINE TAX 3.44¢
ALCOHOLIC BEVERAGE TAX .43¢
INSURANCE COMPANIES TAX 2.72¢
CIGARETTE TAX .84¢
SALES AND USE TAX 33.45¢
HORSE RACING REVENUE .36¢
MOTOR VEHICLE AND TRAILER COACH FEES "IN LIEU" TAXES 4.92¢
MOTOR VEHICLE REGISTRATION 3.24¢
GIFT, ESTATE, AND INHERITANCE TAXES .82¢
BANK AND CORPORATION TAX 12.46¢
PERSONAL INCOME TAX 36.89¢
YOUR TAX DOLLAR
1985-86
REVENUE SOURCES

MAJOR STATE TAXES AND LICENSES IN CALIFORNIA
Fiscal Year ended June 30, 1986

Taxes administered by the Board of Equalization produced $630,303,000 in property taxes and $15,398,398,000 in business taxes for a total of $16,028,701,000. The Board's costs totaled $120,863,000 for an average of 75 cents for each $100 of revenue.

Board of Equalization	1985–86 Fiscal Year Revenue	Percentages Change from 1984–85	Percentages of Grand Total
Sales and Use Tax	$10,317,929,961	5.3	33.45
Gasoline and Jet Fuel Tax	1,061,672,354	3.2	3.44
Use Fuel Tax (mostly diesel fuel)	132,500,186	1.0	0.43
Insurance Companies Tax	839,938,808	30.6	2.72
Cigarette Tax	258,141,624	−1.8	0.84
Alcoholic Beverage Tax	132,261,655	−2.6	0.43
Grand Total—Board of Equalization	$12,742,444,588	6.2	41.31

Other Agencies	1985–86 Fiscal Year Revenue	Percentages Change from 1984–85	Percentages of Grand Total
Personal Income Tax	$11,379,600,573	5.3	36.89
Bank and Corporation Tax	3,843,024,290	4.9	12.46
Motor Vehicle "in lieu" Tax	1,486,340,400	23.2	4.82
Trailer Coach Fees "in lieu" Tax	31,042,158	−7.1	0.10
Motor Vehicle Registration and Other Fees	997,877,402	11.6	3.24
Estate Tax	207,021,193	8.6	0.67
Inheritance Tax	44,542,297	−57.2	0.14
Gift Tax	1,247,251	−40.0	0.01
Horse Racing Revenue	111,932,519	−4.8	0.36
Total—Other Agencies	$18,102,628,083	6.4	58.69
Grand Total—All Agencies	$30,845,072,671	6.3	100.00

Source: State Controller's "Summary Statement of Revenues for the General Fund and Other Governmental Cost Funds", Fiscal Year ended June 30, 1986.

THE BOARD II.

THE BOARD II.

The California State Board of Equalization was originally established in 1870 by legislative act to create uniformity among the counties in assessing property for taxation. That Board was composed of the State Controller and two members appointed by the Governor.

The Board, as it is constituted today, was created in 1879 by the State Constitution which was adopted and ratified that year. Article XIII, Section 9 provided that, "A State Board of Equalization, consisting of one member from each congressional district in this state, shall be elected by the qualified electors of their respective districts . . . to equalize the valuation of taxable property of the several counties in the state for the purpose of taxation."

Section 10 of Article XIII assigned an additional function: assessing the the railroads. The railroads fought this provision, but after 15 years of litigation, the Board's authority was upheld by the courts. From those early years of controversy, the Board emerged as a firmly established agency, the nation's only board of tax officials who are constitutional officers elected to represent specific districts of a state to administer tax programs.

Although the number of congressional districts has prolilferated over the past 107 years, the number of equalization districts remains the same. This unique tax administration structure has given California continuity in its tax programs, responsiveness to the electorate, and national preeminence in the field of taxation.

The photograph on this page was taken during a Board meeting at Sacramento headquarters. The Board Members are (from left) State Controller Kenneth Cory, Conway H. Collis, Richard Nevins, Ernest J. Dronenburg, Jr., and William M. Bennett. Richard Nevins was elected Chairman and Conway H. Collis Vice Chairman to serve during calendar year 1986. The Board Chairman also serves as a Member of the Franchise Tax Board with the State Controller and the Director of Finance. The Chairman conducts Board meetings and appoints Board committees which recommend policies for Board approval in legislation, valuation of state-assessed public utilities, local property assessment, information management, personnel management, equal employment opportunity, and tax information. Each committee has a Board Member as chairman and key staff members.

The Board appoints an Executive Secretary to direct Board programs and staff activities and to implement policies the Board adopts, the directives it issues, and the actions it takes. The Executive Secretary is also responsible for managing the Board's administrative affairs including organizing Board meetings, scheduling its tax appeal hearings, developing rules and regulations procedures, processing administrative matters, and any other matters

essential to Board action.

From its inception until 1911, the Board was involved exclusively with property taxes, a constitutionally-assigned function it still administers. In 1911, the Constitution was amended to add the administration of other tax programs to the Board: corporation franchise taxes, the bank share tax, gross receipts taxes on public utilities, and insurance taxes. In 1923, the Motor Vehicle Fuel Tax (gasoline) was enacted and assigned to the Board.

In 1929 the Bank and Corporation Franchise Tax Law was enacted, designating the Board as the administrative appellate agency to replace its previous assessing function. In 1933 the Legislature adopted the Riley-Stewart Plan, devised by Board Members Ray Riley and Fred Stewart, which returned public utility properties to the county tax rolls. The gross receipts tax was repealed, and in 1935, the Board resumed its role as the assessor of public utility operating properties. With the Riley-Stewart Plan, other tax programs were assigned to the Board in 1933, transforming it into the state's major revenue agency. Its staff of 25 was suddenly expanded to 1,500 employees within a few weeks to administer the newly assigned sales tax, the motor vehicle transportation license tax, the alcoholic beverage tax, and subsequently, virtually every other new tax enacted by the Legislature.

Today the Board is responsible, directly and indirectly, for state and local revenues amounting to more than $25 billion annually. Annual tax revenues of approximately $16 billion are directly collected by the Board at a cost of only 75 cents per $100 in revenue. The Board operates in three major roles: administrative, quasi-legislative, and quasi-judicial.

As an administrative body, the Board develops and adopts capitalization rates; classifies unitary and nonunitary properties of public utilities and determines the property values of the individual assessees for local property taxation; sets the Electrical Energy Surcharge rate; fixes the 911 Emergency Telephone Users Surcharge rate at the level determined by the Department of General Services; and administers the California Sales and Use Tax, the Motor Vehicle Fuel License Tax, Use Fuel Tax, Alcoholic Beverage Tax, Cigarette Tax, Insurance Tax, Timber Yield Tax, the Hazardous Waste Substance Taxes, and the Moore Universal Telephone Service Tax. It also administers the city, county, and transit district sales and use (transactions) taxes.

In its quasi-legislative role, the Board adopts rules and regulations; issues directives for the guidance of taxpayers and county assessors and county assessment appeals boards; and conducts surveys of the operations of county assessors' offices. The Board prescribes property tax forms and publishes handbooks for the assessors' use, and oversees assessment practices. For the Sales and Use Tax and the other business taxes it administers, the Board adopts regulations and publishes a law guide and a series of tax publications (Tax Tips) which offer advice and guidance to specific types of business to help taxpayers comply with tax law requirements.

In its quasi-judicial role, the Board is the appellate body in final actions of the Franchise Tax Board for the state's Bank and Corporation Franchise Tax, the Personal Income Tax, and the Senior Citizens Property Tax Assistance Laws.

For the tax laws it administers, the Board considers petitions for redetermination of business tax matters and the appeals of insurance companies under the Insurance Tax Law. In property taxes, the Board considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries.

The Board conducts public meetings throughout the year, meeting in Sacramento at least once every month, and as often as necessary in other California cities. In 1985–86, the Board met in Sacramento, Arcadia, San Diego, San Francisco, and Burbank to hear tax appeals, adopt rules and regulations, and handle other matters related to tax administration.

The Board employs a staff of 2,900 auditors, appraisers, analysts, registration and collection technicians, clerical support personnel, and specialists in data processing, fiscal administration, personnel management, training, management analysis, and public information. Board headquarters are located in Sacramento with field offices throughout California. The Board also maintains offices in New York, Chicago, and Houston to serve taxpayers who do business in California but whose headquarters and records are located in other states.

The Board administers tax programs that affect virtually every aspect of California commerce, which ranks the state as the seventh greatest economy in the world. The tax programs administered by the Board generated $12.0 billion during fiscal 1985–86 in general fund and special fund revenues for the state, an increase of 5.1 percent over the preceding year's total of $11.5 billion. The Board also collected $3.3 billion in sales and use taxes for California's cities, counties, transit districts, and redevelopment agencies.

Board assessments of privately owned public utilities produced $614.9 million in local property taxes. The Board collected $3.1 million in private railroad car taxes for the state. For distribution to local government, the Board collected $77.4 million in cigarette taxes (that portion distributed to local government).

On the following page, the evolution of the Board of Equalization is summarized in a chronological history that lists the tax programs, duties, and functions as they have been assigned to the Board since its inception.

HISTORY OF THE STATE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of intercounty railroads. Board consisted of four members elected from Equalization districts and the State Controller.*

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted—assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted—provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted—diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted—state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted—mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted—Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted—provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted—to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 13 adopted by the electorate June 6, 1978 added Article XIIIA to the California Constitution. It changed the system of real property taxation by restricting the maximum ad valorem tax to 1 percent of full cash value, permitting a maximum 2 percent annual increase in the fair market value base to reflect inflation.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

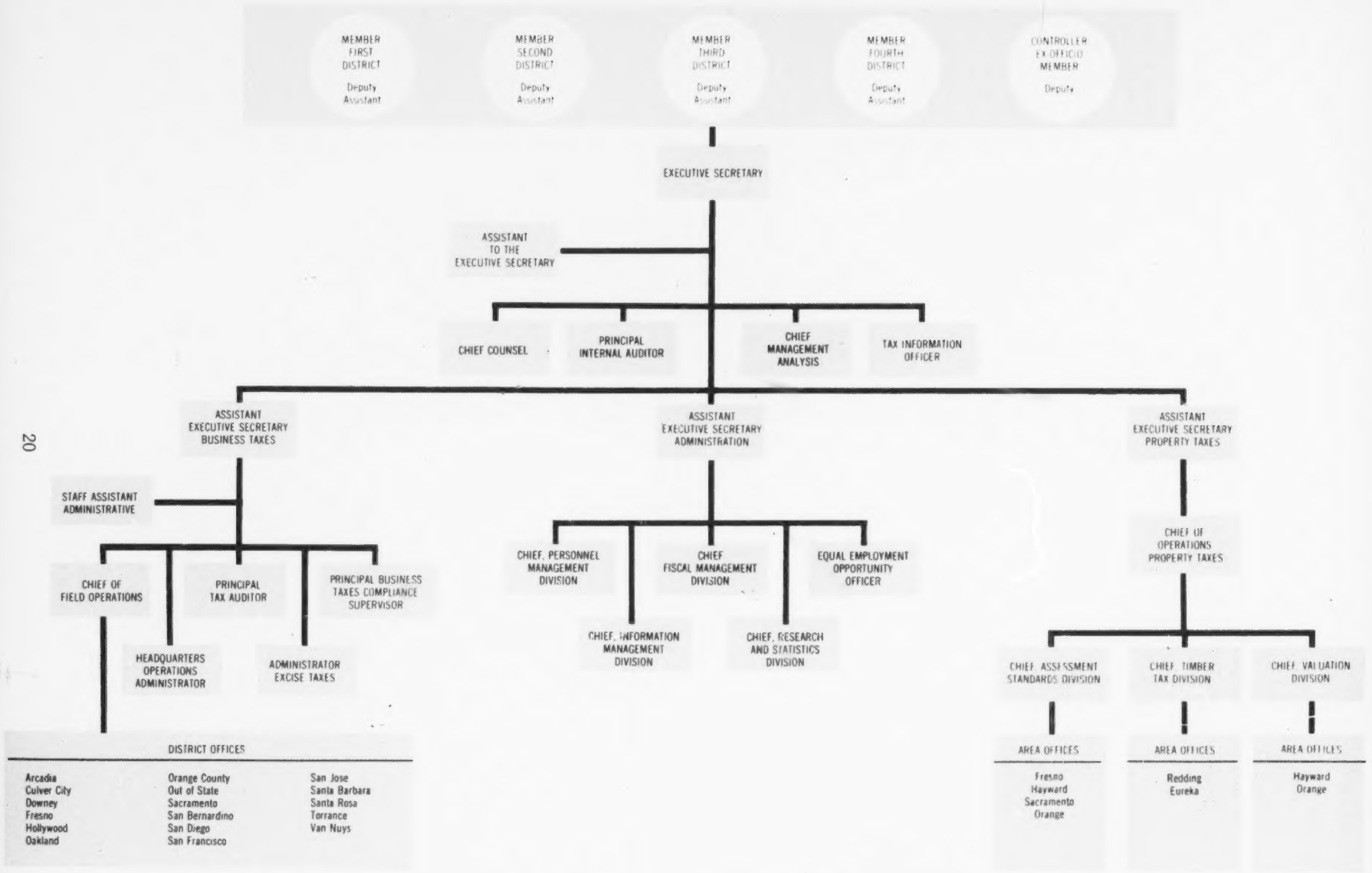
1979 Litter Control, Recycling, and Resources Recovery Act amended, ending the assessment and allocating funding from the state's general fund.

1982 Administration of two hazardous substances taxes assigned to the Board by legislation. Both are imposed on persons who generate hazardous waste and dispose of it in California.

1984 The Moore Universal Telephone Service Act imposed a tax on certain intrastate telecommunications to subsidize basic telephone service for those who cannot afford it. Tax rates, eligibility, and service systems are determined by the Public Utilities Commission. The Board collects the tax.

* The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster—1909


MEMBER FIRST DISTRICT
Deputy
Assistant
MEMBER SECOND DISTRICT
Deputy
Assistant
MEMBER THIRD DISTRICT
Deputy
Assistant
MEMBER FOURTH DISTRICT
Deputy
Assistant
CONTROLLER EX OFFICIO MEMBER
Deputy
EXECUTIVE SECRETARY
ASSISTANT TO THE EXECUTIVE SECRETARY
CHIEF COUNSEL
PRINCIPAL INTERNAL AUDITOR
CHIEF MANAGEMENT ANALYSIS
TAX INFORMATION OFFICER
ASSISTANT EXECUTIVE SECRETARY BUSINESS TAXES
ASSISTANT EXECUTIVE SECRETARY ADMINISTRATION
ASSISTANT EXECUTIVE SECRETARY PROPERTY TAXES
STAFF ASSISTANT ADMINISTRATIVE
CHIEF OF FIELD OPERATIONS
PRINCIPAL TAX AUDITOR
PRINCIPAL BUSINESS TAXES COMPLIANCE SUPERVISOR
HEADQUARTERS OPERATIONS ADMINISTRATOR
ADMINISTRATOR EXCISE TAXES
CHIEF, PERSONNEL MANAGEMENT DIVISION
CHIEF FISCAL MANAGEMENT DIVISION
EQUAL EMPLOYMENT OPPORTUNITY OFFICER
CHIEF, INFORMATION MANAGEMENT DIVISION
CHIEF, RESEARCH AND STATISTICS DIVISION
CHIEF OF OPERATIONS PROPERTY TAXES
CHIEF ASSESSMENT STANDARDS DIVISION
CHIEF TIMBER TAX DIVISION
CHIEF VALUATION DIVISION
DISTRICT OFFICES
Arcadia
Culver City
Downey
Fresno
Hollywood
Oakland
Orange County
Out of State
Sacramento
San Bernardino
San Diego
San Francisco
San Jose
Santa Barbara
Santa Rosa
Torrance
Van Nuys
AREA OFFICES
Fresno
Hayward
Sacramento
Orange
AREA OFFICES
Redding
Eureka
AREA OFFICES
Hayward
Orange

ADMINISTRATION III.

ADMINISTRATION III.

DOUGLAS D. BELL
Executive Secretary

LAWRENCE A. AUGUSTA
Assistant Executive Secretary
Administration

J. D. DOTSON
Assistant Executive Secretary
Business Taxes

GORDON P. ADELMAN
Assistant Executive Secretary
Property Taxes

JAMES J. DELANEY
Chief Counsel

The State Board of Equalization administers 15 state and local business and property tax programs. During 1985–86, these tax programs yielded $16 billion, collected by the Board at a cost of $121 million or 75 cents per each $100 of revenue.

The Executive Secretary, appointed by the Board Members, is responsible for directing the administration of these tax programs. As chief executive officer, the Executive Secretary interprets and applies Board policies and decisions, recommends changes, and represents the Board in day-to-day operations.

He is assisted by a Chief Counsel and three Assistant Executive Secretaries for Business Taxes, Property Taxes, and Administration—the three main components of the Board's organization.

Douglas D. Bell has been Executive Secretary for the Board since May 1, 1977. Mr. Bell joined the Board in 1947 and is the first Board employee promoted to the chief administrative officer position since the Board was created in 1879.

James J. Delaney, a Board employee since 1956, was appointed Chief Counsel in 1977. Mr. Delaney was formerly Assistant Chief Counsel for Property Taxes.

J. D. Dotson, Assistant Executive Secretary for Business Taxes, has served in that position since 1977. Previously, Mr. Dotson was chief of Field Operations for Business Taxes. He has been with the Board since 1950.

Gordon P. Adelman was named Assistant Executive Secretary for Property Taxes in 1979. A Board employee since 1966, Mr. Adelman was formerly Assistant Executive Secretary for Administration.

Lawrence A. Augusta was appointed Assistant Executive Secretary for Administration in 1984. Former Legislative Representative and Assistant Chief Counsel for Property Taxes, Mr. Augusta has worked for the Board since 1968.

Administrative Support Services

The Board's Administration department provides the specialized control and support functions necessary for the effective administration of its 15 tax programs.

Administrative staff provides specialized support services in the areas of legal counseling, management analysis, banking and cashiering, budgeting and fiscal management, information management, mail processing, statistical research and analysis, internal audit, tax information, personnel management, equal employment opportunity, employee assistance, labor relations, printing and supply, and facilities management.

III. ADMINISTRATION

Legislation

As California's major tax agency, the State Board of Equalization plays an influential role in the development of new state tax laws and policies through its analysis of proposed tax measures and technical assistance provided to the Legislature, the Governor, and the Department of Finance.

The Board's legislative program is coordinated by the Legal Section with assistance from staff throughout the Board. All legislative proposals are screened to identify those bills which relate to the tax programs administered by the Board or that affect the interest of the Board. Staff from the Business and Property Taxes Departments assess the potential impact of proposed legislation on Board-administered tax programs. The Research and Statistics Division forecasts the effect of legislation on revenues, and the Management Analysis Section estimates the cost of administering the proposed legislation.

Legislative proposals of particular interest to the Board are submitted to the Board Committee on Legislation, which reviews the bills and makes a recommendation to the full Board to establish a formal Board position on the measure. The Legislative Committee also formulates the Board's annual legislative program which proposes changes to the law in areas where administrative, technical, or policy changes are indicated. In the second year of the two-year 1985–86 legislative session, the Board sponsored five bills dealing with technical and clarifying changes to the Sales and Use Tax Law, Use Fuel Tax Law, and property tax laws.

During the 1985–86 two-year legislative session, 7,645 bills, resolutions or constitutional amendments were introduced. The Board followed 438 measures and prepared detailed analyses of 271 proposals. As these bills traveled through the legislative process, Board staff provided information and testimony before the policy and fiscal committees of both the Senate and the Assembly.

Summaries of 1985–86 legislation affecting business tax programs may be found on page 44; property tax legislative summaries begin on page 59.

Legal Services

Legal counsel to administer the Board's programs is provided by a staff of 35 attorneys in the Legal Section.

In its advisory capacity, the staff furnishes legal opinions to the Board; it advises county assessors and other local government officials on the application of property tax laws; and it provides the public written and oral interpretations of tax laws. It also aids the Board's business taxes compliance staff in the collection of delinquent taxes and drafts the administrative rules and regulations adopted by the Board.

Board attorneys provide legal support services related to the Board's appellate functions. Nine hearing officers conduct preliminary hearings on business taxes appeals, preparing summaries and recommendations for disposition by the Board. For the convenience of taxpayers, these hearings are conducted throughout the state. During 1985–86, 659 preliminary hearings were held, 68 percent of which were resolved without appeal to the Board itself. The Board heard oral arguments on 248 business taxes appeals during 1985–86. At these hearings the legal staff presents the available facts and an analysis of the law.

Board attorneys assist the Board in deciding appeals from Franchise Tax Board actions on Personal Income Tax and Bank and Corporation Tax cases. In 1985–86, the Board completed 1,541 cases, including 253 summary decisions, and issued 238 formal opinions. The latter became part of a published body of material providing guiding principles and statutory interpretations for use by taxpayers and Franchise Tax Board staff. Approximately one-third of the taxpayers who filed Franchise Tax Appeals received their requested relief in whole or in part.

The legal staff participates in the Board's annual valuation of privately owned public utility properties and railroad cars owned by nonrailroad companies. Board attorneys advise the appraisal staff on the application of property tax law and subsequently present the staff's position at the Board's valuation hearings for privately owned public utility and railroad car companies.

Generally speaking, the legal staff acts as house counsel to the Board in all aspects of its work, and on rare occasions, when authorized by the Attorney General, acts as trial counsel. See the Litigation Section of this report for summaries of major court decisions during the 1985–86 fiscal year.

Janice Masterton, Assistant to the Executive Secretary, meets with Staff Counsel Les Sorensen to discuss proposed changes to a sales tax regulation which will be considered at a public hearing before the Board.

The Regulatory Process

The Board adopts rules and regulations clarifying the laws it administers for the guidance of taxpayers, county assessors, county assessment appeals boards, and its own staff.

Board rules and regulations are adopted, amended or repealed in response to changes in the law, court decisions, or a need for clarification perceived by the Board staff or the affected industry.

The Board's legal staff and tax program staff work together to draft new or amended rules and regulations. If the proposed change is a significant one, the staff will meet with industry representatives, county assessors, or other interested parties early in the drafting process to discuss the issue.

Public notice of the proposed change is published by the State Office of Administrative Law in its Notice Register, a weekly bulletin of regulatory activity by all state agencies. Subscribers to the Notice Register include legislators, lobbyists, state and local agencies, and business and professional associations. The proposed amendment is also mailed by the Board to all interested parties who have requested notification of changes to regulations affecting a particular type of business or industry. The publication of proposed changes is followed by a 45-day waiting period for public comment.

The Board holds public hearings on all changes to its rules and regulations. At these hearings, all interested parties may testify and all written and oral comments submitted during the 45-day public comment period are considered. If additional nonsubstantive changes are made as a result of these hearings, the revised rule or regulation is made available to the public for an additional 15 days before adoption. If the changes are substantive, the regulation is republished and the public notice process is begun again. Adopted regulations are filed with the Office of Administrative Law prior to incorporation into the California Administrative Code.

In addition to inviting comment and holding public hearings, the Board makes every effort to notify taxpayers of rule and regulation changes which have been finalized. Changes are listed in the quarterly Tax Information Bulletin which is mailed to all registered taxpayers and interested parties. The Board will provide copies of amended rules and regulations to the public free of charge. Announcements of public hearings and the final actions on rules and regulations are also included in the public agenda notices distributed to the press.

Statistician Aileen Lee gathers data from all Board-administered tax programs to prepare the Statistical Appendix for this Annual Report to the Governor.

Statistical Research Services

The wide range of economic data available to the Board through its administration of California's business and property tax laws is used to provide statistical research services to the Legislature and to federal, state, and local government agencies and to private firms.

The Research and Statistics Division prepares revenue estimates to gauge the impact of proposed tax legislation. This information is used by the Board in formulating recommendations on legislative proposals. During 1985–86, the division developed revenue estimates on approximately 50 bills, including proposals to require out-of-state mail order firms to collect California use taxes, change sales tax prepayment requirements, increase alcoholic beverage and cigarette taxes, and exempt various transactions from the sales tax. The division also evaluates the revenue aspects of existing tax programs in order to improve the effectiveness of administrative activities, such as the audit selection process.

In cooperation with the Board's Property Taxes Department, the Research and Statistics Division provides advice and assistance to county assessors' computer-assisted appraisal systems.

Economic analyses and forecasts of revenues from Board-administered tax programs are prepared by the division for use by state and local government. The division also prepares revenue estimates for proposed area annexations or incorporations and conducts (on a fee-

for-service basis) several hundred market studies each year for specific geographical areas.

The analyses and statistical reports prepared by the division are an important element of the Board's public information program and are widely used by economists, forecasters, and planners in the private and public sectors.

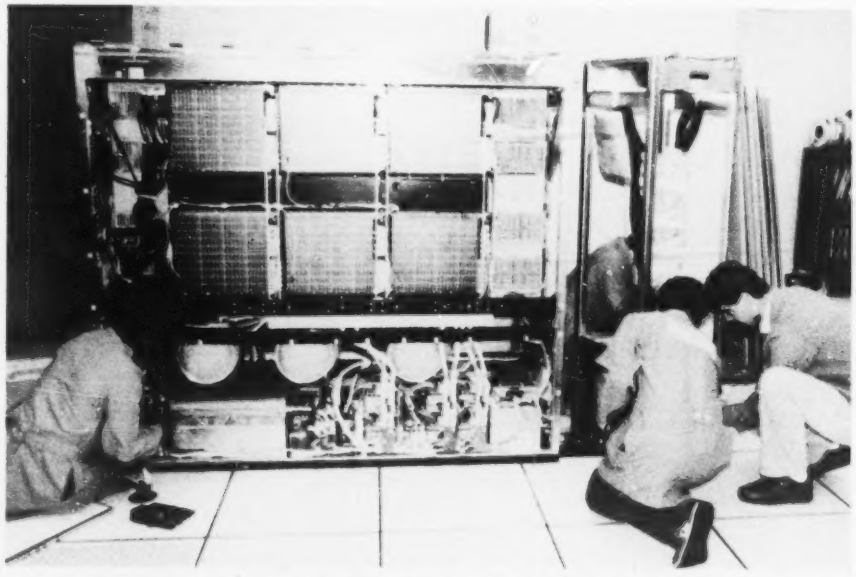
Automated Information Management

Computers located at Sacramento headquarters support the administration of all Board tax programs, providing a variety of essential services. Automated information processing has helped the Board keep the cost of tax administration low despite growing workloads and the addition of new tax programs.

Board computers play an essential role in the sales tax and use fuel tax return processing cycle, performing a multitude of tasks, such as coding and addressing returns, identifying nonfiling accounts, preparing notices and billings, and allocating local revenues.

Computer-maintained master files gathered from registration documents, tax returns, audits, and collections support a statewide communications network linked to the headquarters computers. This system provides instant access through video terminals to current, uniform sales and use fuel tax information. In 1985–86 the system answered 12.5 million inquiries, up 6 percent from the previous fiscal year. The system's capabilities continued to grow as a new information file showing refund payments was made available to users. The number of video terminals in the network will be increased from the current 231 to 450 over the next three years.

The Board's out-of-state offices in New York, Chicago, and Houston have been linked by phone lines to the central information network since 1979. Because the Franchise Tax Board needed to provide its out-of-state offices with similar access to its own computers, the Board and the FTB agreed to share the cost of an expanded data circuit. The new out-of-state data line, installed in June 1985, meets the needs of both departments, while sharing expenses has reduced the cost of services for each.



Technicians install a new Burroughs B7900H computer system at Board of Equalization headquarters in July 1986.

For almost 20 years, the Information Management Division has serviced the Board's data processing needs using Sperry equipment, most recently two 90/80 computers. However, skyrocketing information processing needs made it necessary for the Board to initiate a competitive procurement process to replace the 90/80s with more powerful equipment. The procurement effort which began in 1983 culminated in the spring of 1986 with the installation of a Burroughs B7900H computer system. The Board staff began the 18-month conversion process pleased with this step forward into state-of-the-art information processing and enthusiastic about the promising capabilities of the new system. The new Burroughs system will have 600 percent more internal storage (memory) capacity than the present computers and external disk storage will be 500 percent greater. It will process information ten times faster and will be able to handle up to 1,000 video terminals.

To plan for smaller scale office automation needs, the Board established in March 1986 a new information management planning procedure in accord with a mandatory statewide policy. A planning team of specialists will conduct a comprehensive review of the Board's automation processes and will identify needs for office automation equipment such as microcomputers and related software. There are currently 19 microcomputers in Board offices providing various data processing services that can be handled more economically and effectively outside the main frame computer. That number is expected to increase to 350 over the next three years as the Board draws on current technology to meet its in-office information processing needs.

During 1985–86 the Information Management Division completed the second and final phase of a two-year project to enable the Board to process data for an expanded number of special or local taxing jurisdictions. This capability is made necessary by the growing number of transit districts in the state and recent legislation authorizing redevelopment agencies to receive direct allocations of local sales and use tax revenues. The first of these redevelopment agencies were entered in the new system January 1, 1986 as sales tax ordinances for three Huntington Park Redevelopment Projects went into effect.

In addition to its usual support functions, the Information Management Di-

vision provided a variety of special services at the request of users. A Legal Appeals Inventory System for the Legal Section became operational July 1, 1985. To help the collection function, the division created an on-line system for tracking liens and their subsequent release. The division assisted in a new business taxes program by identifying delinquent out-of-state use tax accounts on the accounts receivable system to be forwarded to private collection agencies. The division also began work on an automated personnel information system for use by the Personnel Management Division.

Banking and Cashiering

During 1985–86, more than 4.0 million tax payments totaling $15.4 billion were received and banked by the Board's headquarters Cashier, one of the three largest cashiering operations in state government. The number of payments processed was up 5.0 percent, an increase of approximately 200,000.

The headquarters Cashier and related units process the majority of tax payments for deposit within 24 hours of receipt in order to earn maximum interest for the state. As suggested by an independent management study of the cashiering operation conducted in 1985, the Board has taken steps to further increase efficiency with the goal of depositing virtually all tax payments on the same day of receipt. In July 1986 the work shifts of the Cashier and Mail Processing units were moved to earlier starting times to better meet the early afternoon deadlines of the banks.

Additional equipment has been acquired to help the Cashier unit keep abreast of its steady workload growth. In August 1986 the unit installed its eighth Magnetic Ink Character Recognition (MICR) machine which is used to speed the processing of checks for deposit. This equipment enables operators to encode the amount of each check and sort it for deposit in the appropriate bank while providing master tapes for accounting and control purposes. MICR equipment not only speeds deposits, but reduces by 2 cents per check the banks' processing charges. During 1986 the first automatic mail opening equipment was installed in the Cashier Unit and new state-of-the-art mail opening machines were acquired by the Mail Processing Unit.

The Cashier unit acquired much-needed additional space in 1986 when it moved to new quarters within the Sacramento headquarters building. The larger office has enabled the unit to physically streamline its operation by setting up a workflow, "pipeline" arrangement.

Personnel Management Services

The Personnel Management Division's responsibility is to provide the support, guidance, and structure necessary for the effective management of human resources at the Board. The division and each of its five units—Personnel, Labor Relations, Equal Employment Opportunity, Training, and Employee Assistance Program—place primary emphasis on the service aspect of personnel management.

The Board's Personnel Office addresses the Board's staffing needs in the areas of job classifications, performance appraisal and discipline, ill and injured employees, examinations, and employee document processing.

By reviewing and updating job classification and allocation standards, the Personnel Office helps provide for the appropriate and consistent use of each class and allows management more flexibility in hiring, training, developing, and promoting employees to meet the changing needs of the organization.

Through the Injured State Worker Assistance Program, the Personnel Office helps employees return to work as soon as possible, providing temporary work accommodations when necessary. The program also seeks to reduce medical and compensation costs to the Board, which run from $100,000 to $200,000 annually.

During 1985–86, the Board implemented the decentralized selection program mandated by the State Personnel Board (SPB) and successfully completed the required probationary period.

Account Clerk Jean Suhr operates one of the Board's eight MICR encoding machines which speed the processing of tax payment checks for deposit.

Under the decentralized testing program, the Board of Equalization is responsible for planning, scheduling, and administering departmental examinations for its own job classifications under the same policy standards and guidelines used by the SPB for centrally-administered exams. Delegated testing, authorized to the Board in 1978, continued to be conducted for various classifications which are not unique to the Board. To insure statewide uniformity, SPB provides strict guidelines that must be followed in the administration of delegated exams. The SPB will continue to centrally administer some service-wide examinations; however, future delegation of the majority of service-wide classifications is imminent.

The Board now administers examinations and certifies lists of eligible candidates for a total of 75 entry-level and promotional classifications. During the fiscal year, the Board administered 26 open and promotional exams and tested for 11 classifications on a continuous monthly basis.

III. ADMINISTRATION

In August 1985, work began in earnest on the development of an automated human resources system to replace the existing outmoded leave accounting system. The new system will contain more comprehensive personnel data, including leave balances, appointments, separations, employee benefits, and management information. The system will be implemented in three phases, finally resulting in a single data base that will serve the needs of all units within the Personnel Management Division.

Labor Relations

Two year labor agreements between the state and the eight bargaining units representing rank-and-file Board employees were negotiated in 1985 to replace the expiring one-year agreements. The new agreements, effective July 1, 1985 through June 30, 1987, for the first time included a multi-year salary package. The agreements provided for a 6 percent general salary increase effective July 1, 1985, plus a 5 percent general salary increase effective July 1, 1986. Employees in Bargaining Unit 4 (Office and Allied) received an additional 2.5 percent general salary increase effective January 1, 1986. A vision care insurance program, effective July 1, 1986, was also negotiated for the first time in the agreements. Management employees received similar salary increases and benefits. State-paid life insurance benefits were increased to $50,000 for managers and $25,000 for supervisory and confidential employees, effective November 11, 1985; an employer-paid $150,000 life insurance policy is in force during state travel on commercial carriers; comparable dental benefits became available to dependents effective January 1, 1985; the new vision care program was implemented earlier for management, effective February 1985.

In the fall of 1985, the Public Employment Relations Board held elections for employees in Bargaining Unit 2 (Attorneys and Hearing Officers) and Bargaining Unit 9 (Professional Engineers) to determine if a form of organizational security (fair share fees) should go into effect on January 1, 1986. Employees in both units elected to establish an organizational security provision. Therefore, fair share fees are deducted from the salary of employees who are not members of the union and remitted monthly to the union by the State Controller.

In 1974, the U.S. Congress amended the Fair Labor Standards Act (FLSA) to make its provisions fully applicable to state and local public employment. The expansion of the FLSA did not become effective because the U.S. Supreme Court ruled in a 1976 decision that public employers' "traditional governmental functions" could not be made subject to the FLSA. However, this 1976 decision was negated by a February 19, 1986 U.S. Supreme Court decision in *Garcia v. San Antonio Metropolitan Transit District,* which ruled that the FLSA does apply to state and local public employment.

The major impact of this decision was in the method of compensating employees for overtime work. Due to the tremendous budget impact of the decision, a major nationwide effort was mounted by public employers to change the overtime provisions of the FLSA. As a result, the Federal Fair Labor Standards Amendments of 1985, modifying the FLSA as it applies to state and local governments, was signed into law on November 13, 1985. The Amendments postponed state and local governments' obligation to comply with the overtime and related recordkeeping requirements of the FLSA until April 15, 1986. The new law modified three major FLSA provisions: allowance for compensatory time off instead of overtime pay; method of compensating occasional or sporadic employees; and compensation of volunteer employees.

The California State Department of Personnel Administration has issued several policy guidelines for administering the provisions of the FLSA. All state departments were required to be in full compliance with the FLSA by April 15, 1986.

Recruitment Coordinator Dan Figueroa (right) hands out testing bulletins to students. The Board conducts a statewide recruitment program to select highly qualified candidates for employment and to improve the representation of minorities, women, and the disabled at the Board.

Equal Employment Opportunity Program

The Board's primary affirmative action goal is to achieve and maintain a workforce of minorities, women, and persons with disabilities representative of the general California workforce. Another goal is to maintain a discrimination-free work environment.

The Hispanic group continues to be targeted for extensive focused recruitment by the Board. The Board's recruitment efforts in its two major hiring classifications of Auditor I and Business Taxes Representative I placed 64 and 55 Hispanic candidates on the respective certification lists during 1985–86. Hispanics comprised 16.7 percent of the Auditors I and 14.3 percent of the Business Taxes Representatives I hired during the fiscal year. In addition, Hispanic employees received 14.7 percent of the fiscal year's total promotions. Nevertheless, Hispanics remain the most underrepresented minority group at the Board and for California State government as a whole. Hispanics comprise 11.9 percent of the Board's staff as compared to a laborforce parity figure of 17.2 percent.

The recruitment of persons with disabilities is another focus of the Equal Employment Opportunity Program. Through its participation in a new State Personnel Board program, the Board of Equalization was able to hire 7 disabled employees in 1985–86. This group now comprises 3.7 percent of the staff. The laborforce parity figure for disabled persons is 6.3 percent.

The number of women in non-clerical jobs continues to make significant gains, up 14 percent in 1985–86. Women were hired in the Auditor I and Business Taxes Representative I classifications at a rate of 29.2 percent and 42.9 percent, respectively. The promotion rate of 55.5 percent surpassed the parity rate of 42.8 percent. At the close of the 1985–86 fiscal year, the number of women in non-clerical jobs was 803 or 39.6 percent of the staff.

The Board's statewide recruitment program continued to locate excellent potential employees, placing a total of 907 candidates on the Auditor I certification list and 679 on the Business Taxes Representative I list. Although the number of college visits was decreased, the Board was able to place a sufficient number of candidates on these lists to provide hiring authorities an opportunity to select highly qualified employees.

During 1985–86, the EEO Office completed affirmative action training for all the managerial and supervisorial staff. The distribution of the Upward Mobility Handbook in October 1985 generated increased interest in career counseling. Over 40 employees, mostly women, were given assistance in career counseling by the Equal Employment Opportunity Office staff.

The Board's Summer Work Program was again successful in providing work experience to members of underrepresented groups. Over 140 youths were hired under the Board-sponsored and federally funded programs. In addition, the Board hired 10 employees through the Career Opportunities Development Program.

Training

The Board training program is designed to develop employee skills, knowledge, and abilities in order to provide quality service to the public, to increase productivity, and to promote self-development. Training opportunities are offered to staff at all levels of the organization, based upon employee and organizational need and available resources. The program includes on-the-job training and experience, programmed texts, and formal classroom instruction.

During the annual planning period, supervisors and employees mutually prepare the Individual Training Plan. These individual plans are used to develop the Annual Training Plan which is submitted to the Executive Secretary for approval at the start of each fiscal year. Under the guidance of the Board Training Manager, the plan is implemented through a network of employees throughout the state who serve as training coordinators and instructors.

Training Office staff develops and conducts courses which cover general skills subjects, such as time management and public relations. Courses which deal with topics of concern to supervisors and managers, such as affirmative action and labor relations, are provided. In addition, specialized courses in auditing, tax compliance, property appraisal, and data processing are designed and conducted by Board staff.

During 1985–86, several new classes —Stress Management, Time Management, Public Contact Skills, and Effective Writing—were added to the curriculum to meet identified needs for clerical staff training. Classes to introduce employees to data processing terminology and concepts and to assist new supervisors in acquiring the necessary skills for effective performance have been pilot tested. New classes scheduled for fiscal year 1986–87 delivery include: Office Professionalism, Career Development, and Conducting Effective Meetings. Revisions are at various stages of development for classes on group leadership, on-the-job training, and supervision by objectives.

In addition, the Training Office completed several major projects during 1985–86. A new training policy has been developed. The training catalog has been revised and streamlined. The performance objective format, which notifies participants in advance of what is expected of them in the classroom and ensures their active involvement, is used to describe course content. A word processing unit has been acquired by the Training Office for use in preparing lesson plans, course announcements, rosters and other training material. The Training Office has automated its record system which accumulates individual employee training records, tracks budgeted expenditures, and produces various reports used to implement and oversee the Annual Training Plan.

In-house training is augmented through the services of the State Training Center and other state agencies, California State universities and community colleges, and the U.S. Office of Personnel Management. On occasion, arrangements are made for the services of private consultants.

The Training Office maintains a library of books, films, audio cassette tapes and video tapes which are available for headquarters and field use.

III. ADMINISTRATION

An in-house training course is presented by employee-instructors Trow Hendrick (left) and Dave Schmeltzer (center) with the assistance of videotapes and workbooks.

Study aids, programmed instruction books, and college class schedules and catalogues are also available for loan to Board employees.

Employee Assistance Program

The Board's Employee Assistance Program (EAP) is designed to help employees resolve problems of alcoholism, drug abuse, or stresses brought on by physical, mental, marital, family, financial, or other concerns which can impair job performance. Participation is purely voluntary and strictly confidential.

The Board fully supports its Employee Assistance Program and recognizes its benefits to employees as individuals and to the organization as a whole.

The primary functions of the EAP staff are to assess the employee's problem, provide referrals for treatment of services, and follow up where appropriate; the staff does not provide professional diagnosis or counseling.

During 1985–86, over 250 Board employees used the program for assistance with their problems. Supervisory referrals and consultations increased significantly. Staff activities encompassed training and orientations for employees and supervisors statewide and out-of-state; awarding and administering back-up EAP service contracts; development of an evaluative follow-up system; continuation of publicity efforts; child care coordination; and a variety of external activities which provided leadership and supportive assistance to organizations and state agencies for the development of EAPs in state service.

Women's Advisory Committee

The Board officially established a Women's Advisory Committee in 1985, recognizing its advisory role to management and its charge to identify and address issues of special concern to women employees of the Board of Equalization. Recommendations and specific actions were developed by the Women's Advisory Committee in four major areas and adopted by the Board in January 1986. The Committee will focus on (1) childcare, developing a directory of services and surveying the needs of Sacramento employees; (2) communication, identifying the needs of women employees and publicizing the Committee's activities; (3) upward mobility, disseminating information about resources; and (4) training, advocating increased training opportunities in specific areas.

Headquarters Office Space Needs

Since 1940, the Board of Equalization has leased headquarters office space in the Consumer Affairs Building in downtown Sacramento and currently occupies 142,000 square feet or two-thirds of the building. However, the Board's need for office space has continued to grow with the addition of new tax programs and taxpayers.

According to recent studies, the Board would require a minimum of 280,000 square feet of office space to consolidate its headquarters operations. For many years, a site has been designated for a new state building to house Board headquarters. Although preliminary planning for the new building was completed during fiscal 1984–85, capital outlay funding was not included in the 1985–86 budget, bringing planning efforts to a halt. Therefore, the Board is continuing to investigate alternatives to meet its long-term office space needs.

In recent years, the Board has met its space needs by leasing an increasing number of offices in various downtown Sacramento locations. During 1985–86 all three divisions of the Property Taxes Department were consolidated at a single location about a mile away from the headquarters building and several Business Taxes Department satellite offices were consolidated. These moves reduced the total number of off-site locations from six to three, and will result in improved work flow, security, communication, and supervision.

Tax Information for the Public

Through its comprehensive tax information program, the Board keeps taxpayers and the public informed about the tax laws which affect them.

A variety of free publications convey timely and relevant information about

Board-administered tax programs. The Tax Information Bulletin, mailed to 786,000 registered taxpayers with their quarterly returns, receives the widest distribution. This publication announces recent and proposed changes in business taxes laws and regulations, describes how these changes affect reporting requirements, and lists new reference material. The Bulletin is also available to other interested parties on request.

Notices of proposed changes to business taxes regulations are also mailed on request to individual companies and organizations in more than 40 special interest categories. These notices enable affected parties to offer written or oral comment for consideration by the Board at its public hearings on regulation changes. Mailings of amended regulations inform interested parties about current tax law. Copies of individual rules and regulations are available upon request.

The tax laws administered by the Board are set forth in a series of 13 pamphlets which reprint pertinent sections of California's Revenue and Taxation Code. Another series of pamphlets contain Board regulations for those tax laws. Complete annotated copies of business and property tax laws, including the Board's regulations are available at cost to the public. The annotated tax laws are regularly updated for subscribers.

To help various types of business comply with their particular reporting requirements, the Board publishes a series of 20 "Tax Tips" pamphlets. Ranging in subject from advertising agencies to veterinarians, these pamphlets explain the applicable laws and regulations in nontechnical language. During 1985–86, two new pamphlets were added to the series—"Tax Tips for Jewelry Stores" and "Tax Tips for Retail Feed and Farm Supply Stores." Tax Tips pamphlets are available in all Board field offices.

Various special interest pamphlets include a guide on church property tax exemptions, a listing of all exemptions and exclusions from sales and use taxes, and an appeals procedures pamphlet with instructions on obtaining administrative review of assessments made by county assessors, the Franchise Tax Board, or the Board of Equalization.

The Board's Research and Statistics Division prepares various statistical reports available to the public. "Taxable Sales in California" is compiled quarterly from the sales and use taxes administered by the Board and is widely used by consultants, economists, public and private planners to analyze the state's economic trends. The Research and Statistics Division also prepares reports for the California Statistical Abstract, the Governor's Economic Report, and produces monthly gasoline distribution reports and the Statistical Appendix of this legally mandated Annual Report to the Governor.

Information of more general interest is disseminated to the public through news releases to the statewide media—daily and weekly newspapers, wire services, radio and television stations, plus various trade publications. News releases prepared by the Tax Information Office announce Board meetings, policy changes, major changes in the tax law, and tax postponements due to natural disasters. News releases report and analyze statistical data gathered from the Board's tax programs—taxable sales activity, gasoline distributions, cigarette and alcohol consumption, allocations of local sales and use taxes, average property tax rates, etc. The Tax Information Office also provides prompt replies to telephone inquiries from the media, the Legislature, and the public.

In addition to its wide array of publications, the Board makes every effort to provide timely and accurate answers to taxpayers' questions about particular tax situations. All 58 business taxes field offices are staffed with personnel qualified to answer a wide variety of tax questions over the phone. Upon written request, the Board staff will also provide advice on the application of tax law to specific situations. Written sales and use tax advice is binding upon the Board under the provisions of AB 3338 (Moore), Chapter 1728, Statutes of 1984.

A list of Board publications and instructions on how to obtain them may be found in the Appendix of this report.

IV BUSINESS TAXES

BUSINESS TAXES PROGRAMS

The Great Depression had direct impact on California tax laws. The state was faced with the necessity of providing relief for property taxpayers, many of whom were unable to meet mortgage and tax payments. At the same time, reduced revenues had placed the state in a deficit situation. The 1933 Retail Sales Tax Act, commonly called the "school tax," brought in the additional revenue which enabled the state to provide property tax relief while continuing to support vital services, such as education. The Board of Equalization was given the responsiblity of administering this new tax program and thus began the Board's role as a major tax agency. Since then, the Board has served as the government body responsible for administering a wide range of tax programs enacted by the Legislature.

The term "business taxes" is used by the Board to refer to those tax programs which deal with various types of business or some aspect of commerce, as distinguished from property taxes, which are described in the next section of this report.

The Board currently administers eleven business taxes which generated $15.4 billion in revenue for state and local government during fiscal year 1985–86. The Board's cost of administration averaged 74 cents for each $100 collected.

Programs administered by the Board are:

Sales and Use Taxes—The sales tax is imposed on retailers for the privilege of selling tangible personal property in California. The use tax is imposed on purchasers of retail property which is not subject to sales tax. Both taxes are levied as a percentage of taxable transactions. All state and local sales and use taxes are reported to the Board on a single form. Sales and use Taxes include:

State Sales and Use Tax
City and County Sales and Use Taxes
Transit District Transactions (sales) and Use Taxes
City Redevelopment Agency Taxes

Motor Vehicle Fuel License Tax—Gasoline and aircraft jet fuel

Use Fuel Tax—Diesel, propane, and other fuels used in motor vehicles

Alcoholic Beverage Tax—Beer, wine, and distilled spirits

Cigarette Tax—Cigarettes

Insurance Tax—Gross premiums of insurance companies

Energy Resources Surcharge—Electrical energy usage

Emergency (911) Telephone Users Surcharge—Telephone communication services

Moore Universal Telephone Service Act—Telephone communication services

Hazardous Waste Tax—Generation of hazardous wastes

Hazardous Substance Tax—Generation of hazardous wastes

HIGHLIGHTS OF 1985–86

Sales Taxes for Redevelopment Agencies Become A Reality

On January 1, 1986, the Huntington Park Redevelopment Agency became the first in the state to adopt a sales and use tax ordinance under 1981 legislation authorizing such action. This ordinance imposes a sales or use tax on sales of tangible personal property in the redevelopment areas at a rate of 1 percent or less. The tax imposed by the redevelopment agency is offset by reducing local sales and use taxes. Therefore, the total tax rate in the area remains the same. On April 1, 1986, the city of Irwindale became the second city to adopt such an ordinance. The Board, charged with the responsibility for the administration of these ordinances, anticipates their adoption by 200 or more such agencies. (See page 37)

Sales Tax Post-Amnesty Enforcement Efforts Expanded

Post-amnesty enforcement has been concentrated in areas where sales and use tax evasion is considered most prevalent. Such areas include unreported sales of gasoline by service stations; private sales of vehicles, vessels and aircraft; misuse of resale certificates; and unlicensed retailers selling goods in California. Preliminary efforts indicate that this program will be extremely effective in deterring future tax evasion. (See page 41)

Sales Tax Documentation Requirements Changed for Common Carriers Purchasing Fuel for Out-of-State Use

Effective September 27, 1985, the type of documentation required to support the exempt sale of fuel and petroleum products to common carriers (for use in their business as a common carrier after their first out-of-state destination) was changed. Senate Bill 310 amended Section 6385 of the Sales and Use Tax Law, removing the bill of lading requirement for such purchases. Now, all water, air, and rail common carriers are required to issue only an exemption certificate for such purchases. Documentation requirements for purchases of tangible personal property other than fuel and petroleum products remain unchanged. (See page 46)

IV. BUSINESS TAXES

State Sales and Use Tax

Of all the business tax programs administered by the Board, the one most familiar to Californians is the sales and use tax. This tax alone is the second major source of state revenue, exceeded only by the personal income tax.

The sales tax is imposed on retailers for the privilege of selling tangible personal property in California. The law authorizes the retailer to be reimbursed by collecting the tax from the consumer. The use tax is imposed upon the storage, use, or other consumption in this state of tangible personal property purchased from a retailer. The rate is the same for both taxes; however, the use tax rather than the sales tax applies when property is shipped from an out-of-state point to a California consumer.

The current state sales and use tax rate is 4.75 percent. The city and county local sales and use tax rate is 1.25 percent, bringing the total rate to 6 percent in most counties. Seven of the most populous California counties levy transit district transaction (sales) and use taxes. The 0.5 percent levied in six counties brings the combined tax rate to 6.5 percent. Two transit taxes are imposed in Santa Clara County, where the overall tax rate is currently 7 percent.

The sales tax is measured by the gross receipts from retail sales; the use tax is measured by the purchase price of the property. The sales and use tax is levied on most retail sales and leases of tangible personal property. Principal exemptions apply to most sales of food for human consumption and prescription drugs.

Every person in the business of selling tangible personal property subject to the sales tax must apply to the Board for a seller's permit. Wholesalers as well as retailers are included. There is no fee for the permit, but the applicant may be required to furnish security to assure payment of the tax. Most permit holders are required to file quarterly tax returns, but the Board may require monthly or annual reporting.

During the fiscal year 1985–86, state sales and use tax revenues totaled $10,317,990,000, a 5.3 percent increase from the previous year.

The sale of tangible personal property in California is subject to the sales tax which provides over one-third of the state's general fund revenue. The overall rate is 6 percent—4.75 percent for the state, 1.25 percent for local government. Seven California counties impose transit taxes in addition to the sales tax.

City and County Sales and Use Taxes

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes California counties to impose a 1.25 percent sales and use tax and cities to impose up to 1 percent. The city sales and use tax is credited against the county tax so that the combined rate does not exceed 1.25 percent. For the fiscal year 1985–86, the Board distributed $2,688,453,000 in local tax revenues to 58 California counties and 440 cities.

The Board's Local Tax Unit, which is responsible for the administration of local sales and use taxes, works closely with cities, counties, transit districts and redevelopment agencies to assure the proper allocation and distribution of local taxes. This includes a constant flow of registration data to city and county governments to keep them up-to-date on business changes within their jurisdiction. Cities compare their business license records with Board sales tax registration records and notify the Board about firms operating without a seller's permit. By checking the Board's sales tax registration records, the cities can also identify firms that are operating without local business licenses.

The Bradley-Burns Uniform Local Sales and Use Tax Law specifies that all retail sales occur at the retailer's place of business, unless the property is delivered to an out-of-state destination by the retailer, the retailer's agent, or by common carrier.

Approximately 95 percent of all tax returns filed by taxpayers are automatically processed according to an area code on the return which identifies the taxing jurisdiction of the retailer's place of business. The other 5 percent are tax returns filed by taxpayers who have multiple places of business or who conduct business away from their principal location and must file schedules with their returns allocating sales to their various locations. These schedules are reviewed for completeness and accuracy. There are 43,341 accounts in this category and they require special processing. Although these accounts represent only 5 percent of the total accounts

they produce approximately 55 percent of the total sales and use tax revenues collected.

In accordance with the law, local tax receipts are distributed to local jurisdictions at least twice in each calendar quarter. In an effort to disburse local funds as soon as possible, estimated advance payments are sent monthly to local governments, based on an analysis of economic conditions, growth patterns, and other pertinent trends. A final "cleanup" payment is made following the processing and accounting of tax returns due for each quarter so that each city, county, and transit district receives the amount of funds to which it is entitled.

In 1981, city redevelopment agencies were authorized to adopt a sales and use tax ordinance (Senate Bill 152, Chapter 951, Statutes of 1981). This ordinance provided cities with the opportunity to finance redevelopment projects by channeling sales tax revenue from sales generated within the affected areas directly to these projects. In order to adopt such an ordinance, the redevelopment agency must be part of a city which has included in its own sales and use tax ordinance a provision that the taxes paid to the redevelopment agency are a credit against the payment of the city's sales and use tax. The Board allocates local tax revenue generated within a redevelopment area, directly to the redevelopment agency. An accurate allocation of local tax funds is possible, since the tax returns of retailers operating within the redevelopment area include special codes.

On January 1, 1986, three redevelopment agencies within the city of Huntington Park entered the program as did the Irwindale Redevelopment Agency on April 1, 1986.

Transit District Transactions (Sales) and Use Taxes

The obligation to collect this tax is limited to retailers engaged in business within the district or making deliveries into the district. The provisions of the Transactions and Use Tax Law are similar to those of the city and county sales and use tax laws with certain exceptions. For example, the transactions tax does not apply to sales of property made to purchasers for use outside the district if it is shipped to a point outside the district. Also, the transactions tax does not apply to a sale of property pursuant to a contract for a fixed price entered into prior to the operative date of the transit district ordinance.

The San Francisco Bay Area Rapid Transit District (encompassing San Francisco, Alameda, and Contra Costa Counties), Santa Clara County Transit District, Santa Cruz Metropolitan Transit District, Los Angeles County Transportation Commission, and the San Mateo County Transit District currently impose the transactions and use taxes at the rate of 0.5 percent over seven counties. With the addition of the Santa Clara County Traffic Authority on April 1, 1985, the total tax rate in Santa Clara County is 7 percent. The other six counties imposing a transactions and use tax each have a total combined tax rate of 6.5 percent.

The Board administers the ordinances imposing transit district taxes and transmits the amounts collected to the respective districts. During 1985–86 the transit districts received the following amounts: San Francisco Bay Area Rapid Transit District, $117,935,745,000; Santa Clara County Transit District, $66,705,013,000; Santa Cruz Metropolitan Transit District, $7,473,080,000; Los Angeles County Transportation Commission, $305,926,591,000; San Mateo County Transit District, $27,495,513,000; and the Santa Clara County Traffic Authority, $64,530,256,000.

Motor Vehicle Fuel License Tax (Gasoline and Aircraft Fuel)

The motor vehicle fuel license tax, currently 9 cents per gallon, is imposed on the first distribution of gasoline in this state. The tax is collected by distributors when gasoline is delivered to retail service stations, brokers, and certain other distributors.

Revenues from this tax are used for construction and maintenance of public roads and mass transit systems. Motor vehicle fuel tax collections for 1985–86 totaled $1,083,986,000 on distributions of 11.9 billion gallons of gasoline (including gasohol). (See the Economic Analysis Section of this report for more

The motor vehicle fuel license tax is collected by distributors when gasoline is delivered to retail service stations. The posted pump price includes the 9-cent-per-gallon state fuel tax, the 9-cent-per-gallon federal tax, plus state sales tax.

on gasoline usage trends.)

The aircraft jet fuel tax is imposed on dealers at the rate of 2 cents per gallon of fuel sold to an aircraft jet fuel user. An aircraft jet fuel user is a person who uses aircraft jet fuel to propel an aircraft in this state. Exemptions apply to the major users of jet fuel—common carriers, certain manufacturers and repairers of aircraft, and the armed forces of the United States.

The proceeds of this tax are transferred to the Aeronautics Fund and are used to maintain local airports. During this fiscal year, $845,000 in aircraft jet fuel tax was collected on distributions of 39.2 million gallons.

Use Fuel Tax (Diesel and Other Motor Vehicle Fuels)

The use fuel tax is imposed upon the use of fuel to propel motor vehicles. This tax does not apply to fuels such as gasoline and gasohol which are taxed under the Motor Vehicle Fuel License Tax Law nor to fuel used for purposes other than generation of power to propel a motor vehicle on public roads. Exempt from this tax are certain motor vehicles operated off the highway and farm and construction vehicles exempt from registration. Fuel used by local school districts and certain bus operators is exempt from all but a 1-cent-per-gallon tax.

The tax rate is 9 cents per gallon of diesel and similar fuels, 6 cents per gallon of liquefied petroleum gas and liquefied natural gas, 7 cents per 100 cubic feet of compressed natural gas, and 4.5 cents per gallon of ethanol and methanol containing not more than 15 percent gasoline or diesel fuels. The owner or operator of a vehicle propelled by a system using liquid petroleum gas, liquid natural gas, or compressed natural gas may pay an annual flat rate based on the type or weight of the vehicle instead of the tax per gallon.

All vendors and users of fuels subject to this tax must obtain a permit from the Board, with the exception of persons who purchase fuel tax-paid for use in privately operated passenger vehicles. The Department of Motor Vehicles informs new registrants of diesel vehicles of the permit requirements. The imposition in 1984 of a $500 penalty for operating without a valid use fuel permit appears to have reduced the number of revocations due to failure to file.

Fiscal year 1985–86 saw a total of $132,550,000 collected in use fuel tax from 72,745 "user" and 3,318 "vendor" use fuel tax permit holders.

Alcoholic Beverage Tax

The Board collects excise taxes from licensees on the alcoholic beverages they manufacture, import, or distribute to retailers in California. The tax on alcoholic beverages is based on gallonage and product type. The current tax rates for various beverages are as follows:

Distilled Spirits
- $2 per gallon—100 proof or less
- $4 per gallon—over 100 proof

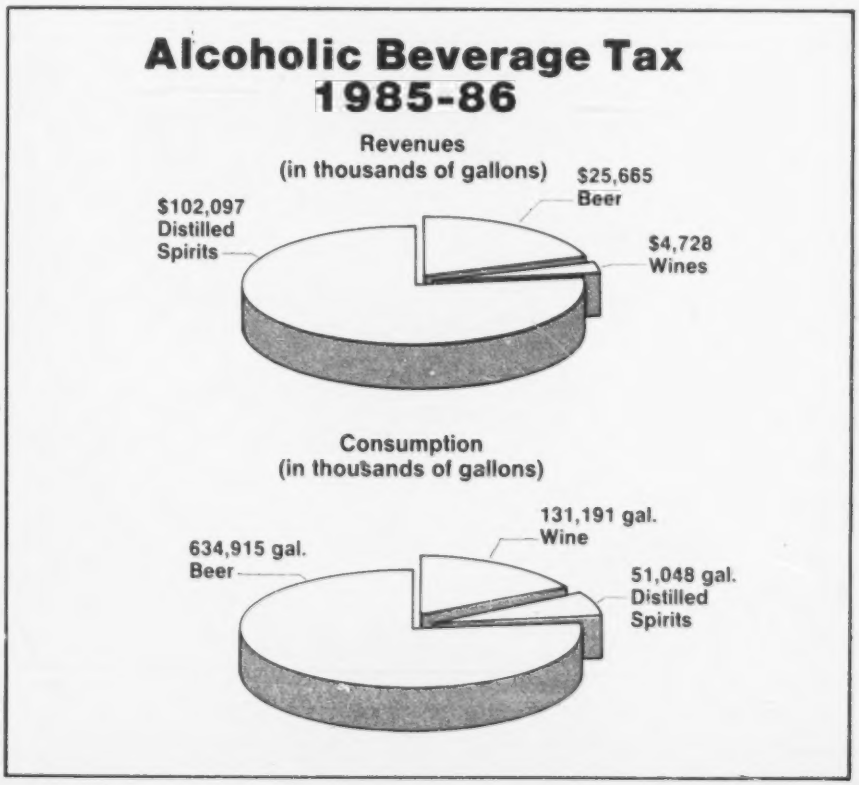
Beer
- $0.04 per gallon

Wine
- $0.01 per gallon—14 percent or less alcohol
- $0.02 per gallon—over 14 percent alcohol content

Champagne and Sparkling Wine
- $0.30 per gallon

Registration of companies as excise taxpayers automatically occurs when the Department of Alcoholic Beverage Control issues a license to authorize their operations. Registered taxpayers include manufacturers, distillers, winegrowers, wholesalers, rectifiers, importers, and others selling such beverages on which no tax has been paid.

In 1986 an unusually large number of claims for refund of the tax were made because of winter flood damage. The law allows a refund without interest for tax paid on alcoholic beverages which



have been lost, rendered unmarketable, or condemned by authorized agencies because of certain disasters or damages. The minimum claim allowable is $250.

In recent years, revenue from beer and wine has been increasing, while revenue from distilled spirits has been on the decline. Introduction of new products such as beer and wine coolers has added to the increased consumption of lower-proof alcohol products.

The Board processes all alcoholic beverage determinations, redeterminations and refunds. The revenue is deposited to the credit of the Alcoholic Beverage Control Fund. (See Statistical Appendix Tables 27, 28 and 29 for more information on alcoholic beverage taxes.)

Cigarette Tax

The cigarette tax is imposed upon distributors of cigarettes at the rate of 5 mills ($0.005) for each cigarette.

Any person engaging in the sale of cigarettes as a distributor must obtain a license for each place of business at which cigarettes are distributed.

The law provides that the tax will be paid by distributors through the use of stamps. The stamps are available from banks which have contracted with the Board. Licensed distributors are allowed a discount of 0.85 percent of the value of the stamps. A tax stamp of proper denomination must be affixed to each package of cigarettes before it can be distributed.

Thirty percent of the revenue collected under this tax program is allocated to city and county governments by use of a formula based partly on population and partly on distributions of local sales and use tax revenues. Cigarette tax revenues during 1985–86 totaled $258,142,000, with the local government's share amounting to $77,443,000.

This year the Board authorized the printing of a new tax stamp which can be applied to packages of 25 cigarettes. This new stamp became available April 16, 1986. (See Statistical Appendix Tables 30A and 30B for more information on the cigarette tax.)

Insurance Tax

The Board of Equalization, the State Controller, and the Department of Insurance jointly administer the California tax on insurers. The Board issues all tax assessments based on information received from the Department of Insurance.

The tax is based on gross premiums received by insurance companies for business done in California. The only exception to this is the tax on ocean marine insurance, which is based on underwriting profits. The insurance tax is levied against insurance companies in lieu of all other taxes except license fees and taxes on real estate. Out-of-state insurers are assessed an additional retaliatory tax if the tax rate in their home state is higher than in California.

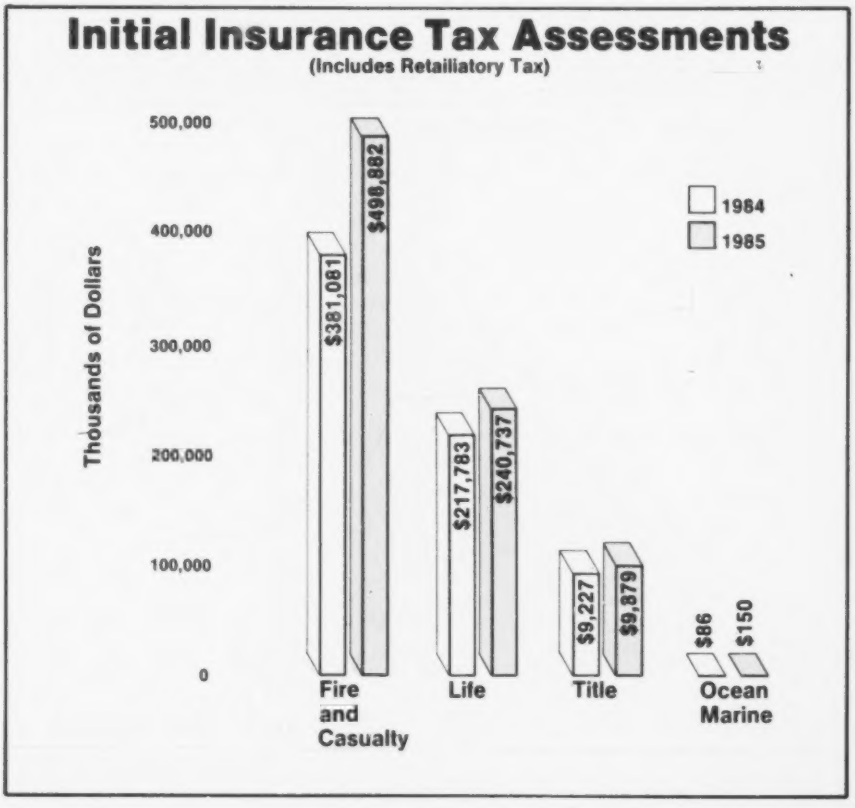
Insurance tax assessments totaled $798,216,000 in 1985, a 21.7 percent increase over 1984 assessments. The following graph illustrates the comparison of assessments by type of insurer for the past two years:

(Additional information on the insurance tax may be found in Statistical Appendix Tables 31, 32 and 33.)

Energy Resources Surcharge

The Energy Resources Surcharge is imposed upon the consumption of electrical energy in this state at the rate of two-tenths of a mill ($0.0002) per kilowatt hour. The surcharge is collected from consumers and paid to the Board by the 51 electric utilities operating in California. There are also 28 public institutions, water districts, and irrigation districts which remit the surcharge to the Board for energy purchased directly from the federal government.

Funds obtained from this tax are used to fund the activities of the California Energy Commission. Appropriations from this program were made to the California Conservation Fund, the Department of General Services, and the



Air Resources Board. Energy surcharge collections during 1985–86 totaled $34,824,000. (See Statistical Appendix Table 34 for more information on the electrical energy surcharge.)

Emergency (911) Telephone Users Surcharge

The Emergency Telephone Users Surcharge was enacted by the Legislature to provide funds for counties, cities, and other local entities to implement and operate emergency telephone systems. The Legislature mandated that all local agencies have their systems in operation by December 31, 1985. It is now possible to dial 911 for police, fire, medical, and rescue assistance from anywhere in California. This year the 911 system has been enhanced in some locations, allowing police and emergency vehicles to respond, even though the caller may be unable to speak.

During the 1985–86 fiscal year, the surcharge was imposed at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every telephone service supplier is required to collect the surcharge from the service user at the time billings for services are collected.

The following graph summarizes surcharge collections for the past five fiscal years.

(See Statistical Appendix Table 35 for more information on the emergency telephone users surcharge.)

Moore Universal Telephone Service Act

The Moore tax is imposed upon each designated service supplier in the state, measured by the gross revenues received from intrastate telecommunications service provided on or after July 1, 1984. Fiscal year 1985–86 saw $83,707,000 in tax collected under this act.

The tax rate, which is determined by the Public Utilities Commission, was set at 4 percent for 1984–85. This rate was retained for the 1985–86 fiscal year, but will drop from 4 percent to 1.5 percent in the next fiscal year.

Universal telephone service is designed to meet minimum residential communications needs. The service allows access by the elderly, the handicapped, the infirm, and low-income persons to telephone service for emergency communications with public agencies and private medical services and for the maintenance of necessary social contacts. The service is available at a substantially discounted rate.

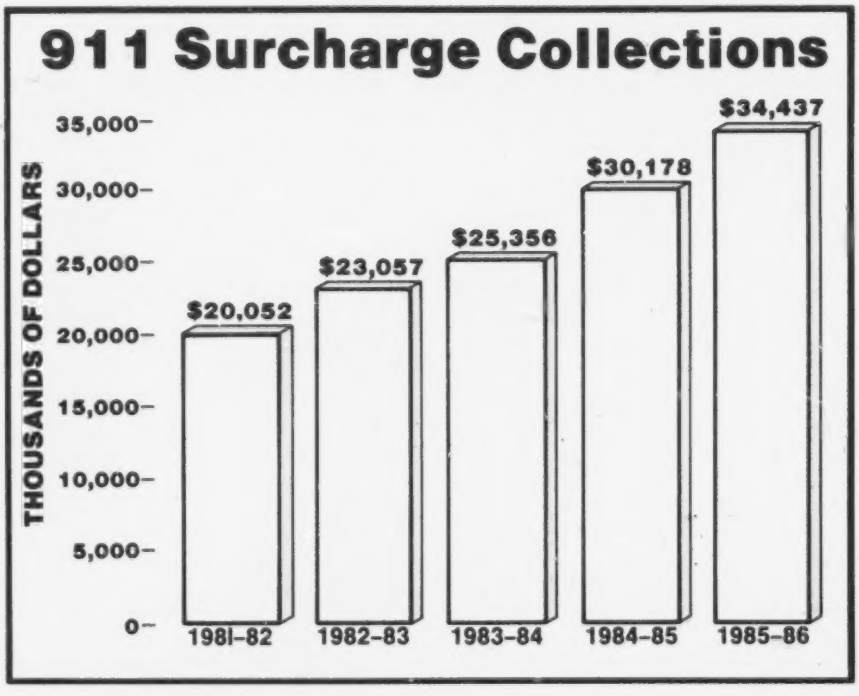
At the direction of the Public Utilities Commission (PUC), the proceeds are redistributed by the State Controller to the local telephone companies to defray the cost of providing basic universal telephone service. The state is divided into 11 geographical areas located within California called Local Access Transport Areas (LATA). Companies which provide telecommunications services across LATA boundaries are designated as service suppliers by the PUC.

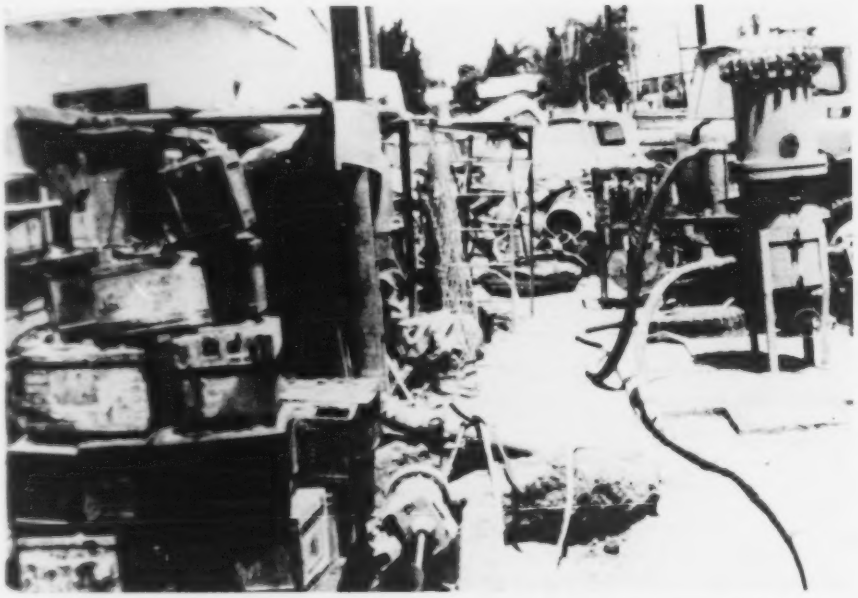
The PUC is required to inform the Board which companies are subject to the tax. As of June 30, 1986, the Board had 88 telecommunications companies registered under the program.

Hazardous Waste Tax

Effective July 1, 1985, the responsibility for reporting the hazardous waste tax shifted from the disposal site operator to the generator of the hazardous waste. The only exception to this is waste which is produced outside of this state but disposed of within the state. In that case, the disposal site is still responsible for the tax.

The base tax rate for fiscal year 1985–86 was $11.25 per ton. All other tax rates are percentages of this. The rates for the period July 1, 1985 to June 6, 1986 were set at various levels ranging from 56 cents per ton up to $22.50 per ton depending on the waste category and method of disposal. The total hazardous waste tax collected during 1985–86 was $7,112,802, down 56.3 percent from the previous fiscal year.





Cleanup of toxic wastes at this urban "recycling center" was paid for by revenues from the hazardous substances tax in combination with federal funds.

All hazardous waste generators, transporters, and disposal facilities must have numbers issued by the Federal Environmental Protection Agency (EPA number). The EPA number is used for recording and tracking the movement of hazardous waste. The information is received and processed by the Department of Health Services and is shared with the Board for use in its regulation and collection of the tax.

The revenues obtained from this tax provide operating funds for the Toxic Substances Control Division of the Department of Health Services.

Hazardous Substance Tax

Like the hazardous waste tax, the hazardous substance tax is imposed on generators of hazardous wastes who dispose of those substances in California. The main difference between the two taxes is the purpose for which the revenue is collected. While hazardous waste tax revenues support the state's Toxic Substances Control Division, hazardous substance taxes are used for cleanup of toxic spills and abandoned dumpsites. Each $1 million of hazardous substance tax revenue is matched with $9 million from the federal government's "Superfund."

Each generator is required to register with the Board and to file an annual report by March 1, detailing the hazardous wastes disposed of during the preceding year. The report must show the total tonnage of hazardous waste disposal in each of the five following categories:

A. Hazardous and extremely hazardous wastes that are disposed into a surface impoundment.
B. Wastes which are hazardous by both state and EPA standards and which are disposed of via landfilling.
C. Wastes which are extremely hazardous by state and EPA standards and are disposed of via landfilling.
D. Mining waste resulting from extraction, beneficiation, and processing of ore or mineral.
E. Hazardous waste residue resulting from incineration that a person has disposed of or submitted for disposal.

A total of $6,895,432 in hazardous substance tax was collected for fiscal year 1985–86, up 22.2 percent from the previous year. Each $1 million of funds is matched with $9 million from the federal government to be used for cleanup of toxic spills and abandoned dumpsites.

OPERATIONAL REVIEW

Field Offices

Since the business tax laws are based on a system of self-assessment, the Board solicits voluntary cooperation from more than 830,000 taxpayers in filing required tax returns.

To help taxpayers meet their obligations, the Board maintains a network of 56 field offices throughout the state. These offices are staffed by 1,666 employees. In addition, the Board maintains offices in New York, Chicago, and Houston for taxpayers who do business in California but whose records or headquarters are located in other states.

The responsibilities of the field offices are organized into two primary functions—audit and compliance. Through its field audit activities, the Board tries to assure that each taxpayer is paying the correct amount of tax. The audit staff conducts on-site audits of existing accounts and prepares reports of findings and recommendations for processing by Sacramento headquarters audit staff. Proper licensing of businesses is one of the major responsibilities of the Board's compliance staff. The compliance staff registers taxpayers, provides advisory services, and collects delinquent taxes.

During the 1985–86 fiscal year, three of the Board's in-state offices were relocated to more convenient service areas. A complete directory of the Board's office locations and telephone numbers is published in the Appendix of this report.

Post-Amnesty Enforcement

Post-amnesty enforcement is the second phase of the two-part tax penalty amnesty program mandated by the Legislature to combat tax evasion. The first phase of this program, completed

IV. BUSINESS TAXES

March 15, 1985, offered an opportunity for persons who either had underreported or failed to report their tax liability, to come forward without fear of penalties or criminal prosecution. The amnesty program applied to the personal income tax administered by the Franchise Tax Board and the sales and use tax administered by the Board of Equalization.

A key element in the current post-amnesty enforcement plan is the increased exchange of information with other governmental agencies. This frequently leads to the identification and investigation of delinquent taxpayers.

The Board has concentrated its efforts on specific industries and types of transactions where the greatest opportunities for tax evasion exist. These areas include unreported gasoline sales by service stations, misuse of resale certificates, unlicensed retailers, and private sales of vehicles, vessels, and aircraft. During the 1985–86 fiscal year the service station project produced billings in excess of $35 million.

In addition to the established enforcement programs, pilot projects have been initiated in various other areas to determine whether or not intensified enforcement efforts are warranted.

In the Ontario branch office, Tax Auditor David Sniezko prepares a report on his sales tax audit of a local retailer. About 3 percent of the Board's active business tax accounts are audited or given a limited examination during the year.

Audit Program

Through the audit program, the Board assures that taxpayers pay neither more nor less tax than the laws prescribe. Taxpayer knowledge that a vigorous and effective audit program exists, helps to minimize carelessness and underreporting, while promoting uniform compliance with the tax laws.

The audit program also provides information and assistance to taxpayers, enabling them to complete returns and pay their taxes correctly and efficiently. Interpretations of the law and related regulations, which are obtained by taxpayers during the audit process, provide them with a basis for the proper reporting of future tax liabilities. This applies whether the audit discloses no change, understatements, or overstatements of reported tax. The Board believes that a sound audit program promotes a climate of cooperation, which leads to greater accuracy in self-assessment.

The Board's audit selection system is primarily designed to concentrate on accounts which will produce the greatest amount of tax deficiency at the least possible cost. About 3 percent of the Board's active business tax accounts are audited or given a limited examination during the year. Approximately 725 auditors are engaged in field auditing activities; 618 are assigned to California district offices, and 107 to the Board's out-of-state audit system guided by its Out-of-State District.

During 1985–86 the Board's business taxes audit program established new records in disclosing net tax deficiencies of self-assessed taxes. Net tax deficiencies reached an all-time high of $294 million. Net tax deficiencies per audit hour rose from $270.61 to $320.07, while net tax deficiencies per dollar of cost was $6.06 against $5.55 for the prior fiscal year.

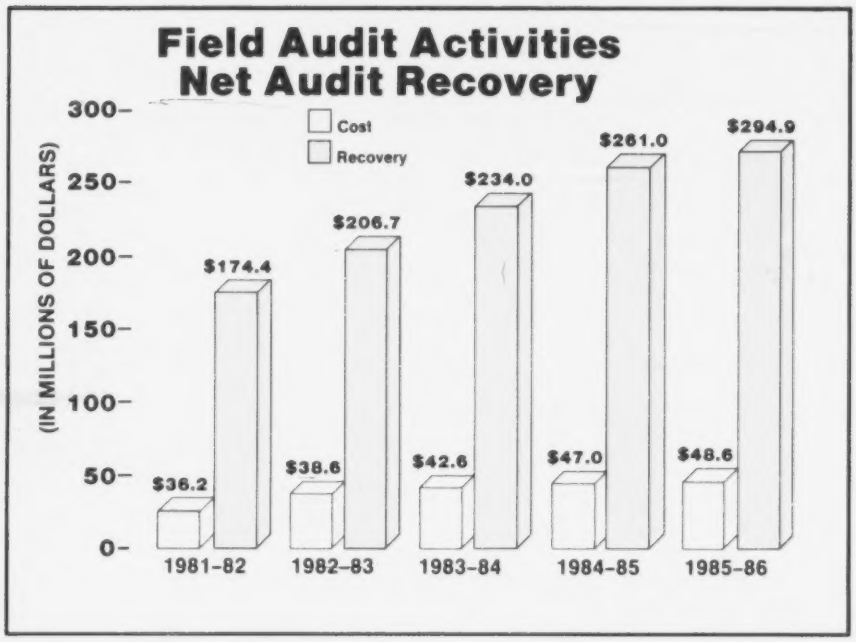
Appeals Process

The Board provides an administrative appeals process for taxpayers who disagree with audit results. During the course of an audit and following its

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY
FISCAL YEAR 1985–86

Tax Program	*Number of Audits* [a]	*Number of Hours* [b]	*Hours Per Audit*	*Audit Recovery*	
				Net Tax Deficiencies [c,d]	*Refunds*
Sales and Use Tax	20,505	902,970	44.0	$281,626,632	$21,706,300
Use Fuel Tax	569	11,051	19.4	3,167,743	455,196
Motor Vehicle Fuel License Tax	67	5,263	78.6	9,968,193	359,848
Alcoholic Beverage Tax	61	1,663	27.3	139,890	634
Cigarette Tax	17	579	34.1	51,825	
Total Business Taxes	21,219	921,526	43.4	$294,954,283	$22,521,978

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes audit recovery arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.



completion, the Board auditor will discuss the findings with the taxpayer who may present any additional information or evidence to clarify the dispute. If the taxpayer and auditor are unable to reach an agreement, a meeting usually will be arranged with the auditor's supervisor. If there are still points of disagreement, the district office may give the taxpayer an opportunity to meet with a higher level local Board representative for an informal discussion of the case before a billing is made.

After the billing is issued, the taxpayer may file a petition for redetermination of the audit findings. Petitions are processed by the headquarters audit staff which makes every effort to resolve them through correspondence or discussion without the necessity of a hearing. If a taxpayer desires a formal hearing, a preliminary hearing will generally be scheduled with a hearing officer from the Board's Legal Section. Agreement can usually be reached at this level; if not, the taxpayer may request a hearing before the Board. At this hearing, the taxpayer may present his or her case, supported by witnesses or documentary evidence. Following the hearing, the Board will issue a decision on the tax liability. If the Board decides the tax is due, the taxpayer may file a claim for refund after paying the liability. If unsuccessful in this claim, the taxpayer has exhausted all administrative remedies and may seek redress through the judicial system.

More than 4,337 taxpayer appeals were received during the year. Approximately 15 percent of these were resolved through correspondence. Hearing officers held 653 preliminary hearings, resolving an additional 354 petition cases. The Board heard 299 petitions which were not settled at a lower level.

Tax Return Processing

Tax return forms are furnished to taxpayers by the Board. These forms contain instructions for completion and payment of the tax due.

In 1985–86 more than 3.5 million tax returns were received, verified, and processed by the Board, an increase of more than 1.1 million returns since fiscal year 1975–76. Approximately 6.3 percent or 220,000 returns required special handling.

This fiscal year, 7,696 sales tax accounts were converted to a prepayment reporting basis to bring the total for this type of account to 99,175. An additional 729 use fuel tax accounts were removed from prepayment status, following the repeal of the prepayment requirement for such accounts.

Nondealer Sales of Vehicles, Vessels, Aircraft, and Mobilehomes

The Occasional Sales Use Tax Unit is responsible for administering the Sales and Use Tax Law as it applies to nondealer transactions involving vehicles, vessels, aircraft, and mobilehomes. As one of the largest centralized collection agencies in state government, this unit maintains a close liaison with all state registration and enforcement agencies.

The Department of Motor Vehicles acts as the Board's agent to collect use tax as part of the vehicle and vessel registration process. Similarly, the Department of Housing and Community Development collects use tax on mobilehomes. If these agencies are unable to collect the tax or determine the merits of an exemption, the transaction is sent to the Occasional Sales Use Tax Unit or the Board's field offices for review. This fiscal year, the Department of Motor Vehicles collected $260,550,013 in use taxes for the Board, the Department of Housing and Community Development collected $14,589,662, and the Occasional Sales Unit collected $10,218,061 for a total of $285,357,736.

With access to computers and other automated equipment, the Occasional Sales Use Tax Unit is able to efficiently handle a workload which, on the average, consists of answering 3,000 calls per month and reviewing 2,000,000 annual registration documents.

Tax Compliance Program

The Board's compliance staff is responsible for the equitable and uniform enforcement of the tax laws. Proper licensing of persons required to report and pay taxes is one of the major objectives of this program. Compliance staff are located at the Board's 59 field offices providing taxpayer assistance and ad-

vice in the preparation of tax returns and in the interpretation of tax laws and regulations.

The collection of delinquent taxes is another important function of the compliance staff. Lost revenue because of tax evasion affects all California citizens. To help reduce these losses, the Board emphasizes a prompt, efficient and aggressive collection program in the absence of collection through voluntary payment. Delinquent tax liabilities in excess of $181.5 million were collected during fiscal year 1985–86.

Prosecution of persons found operating in flagrant violation of the business tax laws administered by the Board has been intensified as a part of the Board's post-amnesty enforcement program. Persons failing to comply with any of the provisions of the law under which a permit or license is held may have their permit or license revoked. Taxpayers not in compliance with the law are given an opportunity to comply. Failure to do so results in their loss of all rights or privileges granted under that particular law. Operation after revocation is a violation of law and violators are subject to possible prosecution. The object of prosecution is to collect all taxes which are past due and delinquent and to bring the person back into compliance with the law.

Automation is a key element in the Board's compliance program. A direct video terminal link to the Secretary of State's computerized corporations file became operative this year. The Board also has an automated lien procedure that considerably enhances workload capabilities and reduces operational costs. A project involving the acquisition and utilization of personal computers to improve overall collection productivity is also nearing completion.

The Board's headquarters compliance staff is responsible for a number of key support activities, including maintaining an accurate record of each account, providing advice and assistance to field staff on collection matters (particularly those involving bankruptcy, probate, and receivership) and formulating and implementing compliance policies, procedures, programs, and standards to ensure statewide uniformity and efficiency.

Business Taxes Representative Peggy Okabasyashi answers a taxpayer's question on how sales tax applies to a particular business transaction. Business taxes compliance staff in the Board's 56 in-state and three out-of- state field offices registers taxpayers, provides advisory services, and collects delinquent taxes.

BUSINESS TAXES LEGISLATION

Following is a brief summary of the bills passed by the Legislature during fiscal year 1985–86, which are significant to the Board's business taxes operations. The bill number, chapter number and effective date of each bill are shown in the summaries.

Legislature Petitions the President and Congress of the United States to Require Mail-Order Houses to Report Use Tax

Assembly Joint Resolution 17, Resolution Chapter 133, Statutes of 1985, effective September 20, 1985.

This measure petitions the President and Congress of the United States to enact federal legislation which would reverse the holding in National Bellas Hess, Inc. v. Department of Revenue of the State of Illinois thereby allowing states to require mail-order houses to collect and report use tax to the state of residence of the customers where the tangible personal property is shipped.

Local and Transit Sales and Use Tax Exemption for Property Used Outside the County by Water Common Carrier Extended

Assembly Bill 54, Chapter 838, Statutes of 1985: Amends Sections 7202, 7202.5, 7202.6 and 7203 of the Local Sales and Use Tax Law and Sections 7261 and 7262 of the Transactions and Use Tax Law, effective January 1, 1986.

This act extends through December 31, 1987 the local and transit sales and use tax exemption for tangible personal property sold to operators of waterborne vessels to be used principally outside the county of sale, directly and exclusively in common carrier operations.

Sales of Food Products for 15 Cents or Less Through Vending Machines Are Exempt from Sales and Use Taxes

Assembly Bill 313, Chapter 1424, Statutes of 1985: Added Section 6359.4 of the Sales and Use Tax Law, effective

January 1, 1986.

This act exempts from the sales tax the sale of food products which sell at retail for 15 cents or less through vending machines.

Commemorative "California Gold" Medallions Are Exempt from Sales and Use Tax

Assembly Bill 398, Chapter 1082, Statutes of 1985: Added Section 6354 of the Sales and Use Tax Law, effective September 27, 1985.

The sale or use of "California Gold" produced pursuant to a contract with the Department of General Services is exempt from the sales and use tax.

Application of Use Tax to "Actual Sales Price" of a Used Mobilehome Clarified

Assembly Bill 461, Chapter 1539, Statutes of 1985: Amended Section 6012.2 and 6276.1 of the Sales and Use Tax Law, effective January 1, 1986.

If the value guide (such as a "Kelly Blue Book") does not specify the model or manufacturer of a used mobilehome, the highest value in the value guide for an identical mobilehome or the actual sales price, whichever is less, will be used.

Requirement to Prepay Use Fuel Tax Liability Is Repealed

Assembly Bill 855, Chapter 1220, Statutes of 1985: Repealed Article 1.1 (commencing with Section 8756) of the Use Fuel Tax Law, effective January 1, 1986.

Previously, taxpayers whose estimated use fuel tax liability averaged $2,000 or more per month were required to prepay their liability. Starting January 1, 1986, prepayment requirements for use fuel tax were repealed.

Some Food Products Sold Inside Marinas, Campgrounds, and Recreational Vehicle Parks Are Exempt from Sales and Use Tax

Assembly Bill 920, Chapter 1197, Statutes of 1985: Amended Section 6359 of the Sales and Use Tax Law, effective January 1, 1986.

The sales and use tax applies to sales of food products within marinas, campgrounds, or recreational vehicle parks, the entrances to which are subject to an admission charge, in the same manner as to sales of food products outside such places.

Fuel Used for Racing Motor Vehicles at a Racetrack Is Exempted from Fuel Taxes

Assembly Bill 1008, Chapter 1023, Statutes of 1985: Amended Section 7304 of the Motor Vehicle Fuel License Tax Law and Section 8604 of the Use Fuel Tax Law, effective January 1, 1986.

This act exempts from the Motor Vehicle Fuel License Tax, fuel which does not contain gasoline or natural gas and which is specifically manufactured for racing motor vehicles at a racetrack. This act also exempts from the use fuel tax any combustible gas or liquid specifically manufactured and used for racing motor vehicles at a racetrack.

Ice and Dry Ice Used in Packing and Shipping Food Products are Exempt from Sales and Use Tax

Assembly Bill 1187, Chapter 1045, Statutes of 1985: Added Section 6359.7 to the Sales and Use Tax Law, effective January 1, 1986.

Ice and dry ice used in packing and shipping food products for human consumption by common carriers, contract carriers, or proprietary carriers are exempt from the sales and use tax when the food products are shipped in intrastate, interstate, or foreign commerce.

Sales of Property by Hay Producers Exempted from Sales and Use Tax

Assembly Bill 1443, Chapter 1083, Statutes of 1985: Amended Section 6006.5 of the Sales and Use Tax Law, effective October 1, 1985.

This act exempts from the sales and use tax, sales of tangible personal property, other than hay, by producers of hay provided that the sale is not one of a series of sales sufficient in number, scope, or character to constitute an activity for which the producer of hay would be required to hold a seller's permit if the producer was not also selling hay.

Nonprofit Youth Organizations Conducting Supervised Program of Competitive Sports are Consumers of Items They Sell

Assembly Bill 1629, Chapter 1153, Statutes of 1985: Amended Section 6361 of the Sales and Use Tax Law, effective January 1, 1986.

This act expanded the sales and use tax exemption for nonprofit youth organizations by making them consumers of any tangible personal property, rather than just food products and nonalcoholic beverages, provided the property other than food products and nonalcoholic beverages is made or produced by members of the organization and sold on an irregular or intermittent basis. This exemption is *limited* to the Little League, Bobby Sox, Boy Scouts, Cub Scouts, Girl Scouts, Campfire Girls, YMCA, YWCA, Future Farmers of America, Future Homemakers of America, and 4-H Clubs.

Sales of Floating Homes on Property Tax Rolls are Exempt From the Sales and Use Tax

Assembly Bill 2409, Chapter 1467, Statutes of 1985: Amended Section 18116.5 of the Health and Safety Code, effective October 2, 1985.

Used floating homes subject to local property taxation are exempt from the payment of use tax upon resale or transfer.

IV. BUSINESS TAXES

Sale in Bulk of Nonmonetized Gold or Silver Bullion Is Not Subject to Sales or Use Tax

Senate Bill 54, Chapter 1128, Statutes of 1985: Amended Section 6355 of the Sales and Use Tax Law, effective January 1, 1986.

Nonmonetized gold or silver bullion sold in a transaction which totals, in market value, the sum of $1,000 or more, is exempt from the sales and use tax. Expires December 31, 1990.

Sellers Who Sell to Operators of Catering Trucks Are Required to Obtain Evidence That Operator Holds a Seller's Permit

Senate Bill 546, Chapter 591, Statutes of 1985. Added Section 6074 to the Sales and Use Tax Law, effective January 1, 1986.

This act requires sellers who make sales to operators of catering trucks to obtain evidence that the operator is a holder of a valid seller's permit. Failure by the seller to comply with this requirement will subject the seller to a penalty of $500 for each failure to comply.

Licensed Veterinarians Are Consumers of Drugs and Medicines

Senate Bill 961, Chapter 1585, Statutes of 1985: Added Section 6018.1 to the Sales and Use Tax Law, effective October 2, 1985.

Licensed veterinarians are designated consumers, rather than retailers, of drugs and medicines used or furnished by them in the performance of their professional duties. Sales of drugs and medicines to licensed veterinarians are subject to sales and use tax unless the sale is otherwise exempt.

Out-of-State Retailers Advertising in California Are Required to Collect the Use Tax on Their Sales to California Consumers

Senate Bill 1225, Chapter 1446, Statutes of 1985: Added Section 6015.5 to the Sales and Use Tax Law, effective January 1, 1986.

Out-of-state sellers are considered engaged in business in this state if any broadcaster, printer, outdoor advertising firm, advertising distributor, or publisher broadcasts, publishes, displays, or distributes in this state for the out-of-state seller paid commercial advertising primarily to consumers located in this state.

Documentation Requirements from Common Carriers Purchasing Tangible Personal Property for Use Outside This State Are Changed

Senate Bill 310, Chapter 1028, Statutes of 1985: Amended Section 6385 of the Sales and Use Tax Law, effective September 27, 1985.

The type of documentation required to support the exempt sale of fuel and petroleum products pursuant to Section 6385 was changed. All water, air, and rail common carriers are now required to issue an exemption certificate when purchasing fuel and petroleum products for immediate shipment outside this state for consumption in the conduct of their business as a common carrier after the first out-of-state destination. A bill of lading for such purchases is no longer required. However, all common carriers, except foreign air carriers, are still required to issue a bill of lading and an exemption certificate for tangible personal property other than fuel and petroleum products which they purchase for out-of-state common carrier purposes.

Direct Payment Permit May Be Issued to a Person Who Holds a Valid Seller's Permit

Senate Bill 427, Chapter 1343, Statutes of 1985: Added Section 7051.1 and 7051.2 to the Sales and Use Tax Law, effective January 1, 1986.

This act authorizes the Board, by adopting rules and regulations, to allow any person who holds a valid seller's permit to purchase tangible personal property without reimbursement of the sales tax to the retailer and without payment of the sales tax by the retailer, provided all of the following conditions are met: (a) the permit holder agrees to report and pay the retailer's tax liability directly to the Board; (b) the Board determines that the collection of the sales tax from the permit holder will be easier; (c) the Board determines that the issuance of the permit is for the mutual convenience of the Board, the retailer, and the permit holder; (d) the Board determines that the issuance of the permit will not result in a tax loss; (e) the permit holder agrees to file with his or her tax return a schedule showing the allocation of the local and transit district taxes to the proper jurisdictions. If the permit holder fails or refuses to pay the retailer's sales tax liability to the Board on a timely basis, or improperly allocates the retailer's sales tax liability, a penalty will be imposed.

V. PROPERTY TAXES

V. PROPERTY TAXES

HIGHLIGHTS OF 1985–86

Disaster Relief for the Floods of 1986

Severe storms and widespread flooding caused hundreds of millions of dollars in property damage to Northern California during February 1986. In response, an urgency statute, Assembly Bill 2536 effective March 11, 1986, permitted owners of disaster-area property damaged by the February storms and floods to defer the payment of the second installment of regular secured roll property taxes for fiscal year 1985–86. Similar provisions applied to unpaid nondelinquent supplemental roll property taxes for fiscal year 1985–86. It also provided for the transfer of $115 million in funds for various assistance programs. Of this amount, $20 million was made available for reimbursement of local agencies for property tax revenue losses in the 1985–86 fiscal year. (See page 60.)

Supplemental Assessment Roll Used to Provide Tax Relief

Article XIIIA of the California Constitution (Proposition 13) was amended in 1982 to exclude from reassessment the acquisition of comparable property to replace property taken by eminent domain proceedings or by governmental action. The purpose was to shield property owners from a tax increase when they acquired replacement property. In 1986, Assembly Bill 312 (Chapter 186) furthered this intent by extending the provisions of the supplemental assessment law to acquisitions of replacement property. This allowed for the immediate application of the original property's assessment level (base-year value) to the replacement property. (See page 59.)

Court Upholds Supplemental Assessment System

The District Court of Appeals in *Shafer* v. *State Board of Equalization* upheld the validity of the supplemental assessment tax law, including the exclusions for fixtures and builder's inventory. Although an exclusion for fixtures was included in the original supplemental assessment legislation (Senate Bill 813), that portion of the law was changed in 1984. Since that date, fixtures have been subject to supplemental assessment. However, legislation which would exclude fixtures is currently pending in the Legislature. (See page 77.)

Williamson Act Cancellation Window Ruled Unconstitutional

Assembly Bill 2074 (Chapter 1095, Statutes of 1981) became law September 30, 1981 and provided a one-time "window" permitting the cancellation of Williamson Act open-space preserve contracts. It also imposed stringent conditions for cancellation of contracts after the expiration of the 150-day "window" period. The First District Court of Appeals ruled in *Lewis* v. *City of Hayward* (1985) 177 Cal. App. 3d 103, that the cancellation "window" in the 1981 law is invalid. In so holding, the court distinguished the decision from the Fourth District Court of Appeals in *Honey Springs Homeowners' Association* v. *Board of Supervisors* (1984) 157 Cal. App. 3d 1122, which reached a contrary conclusion. It is anticipated that remedial legislation will be forthcoming to provide a method of treatment of those properties which were granted cancellation under Assembly Bill 2074.

HISTORY

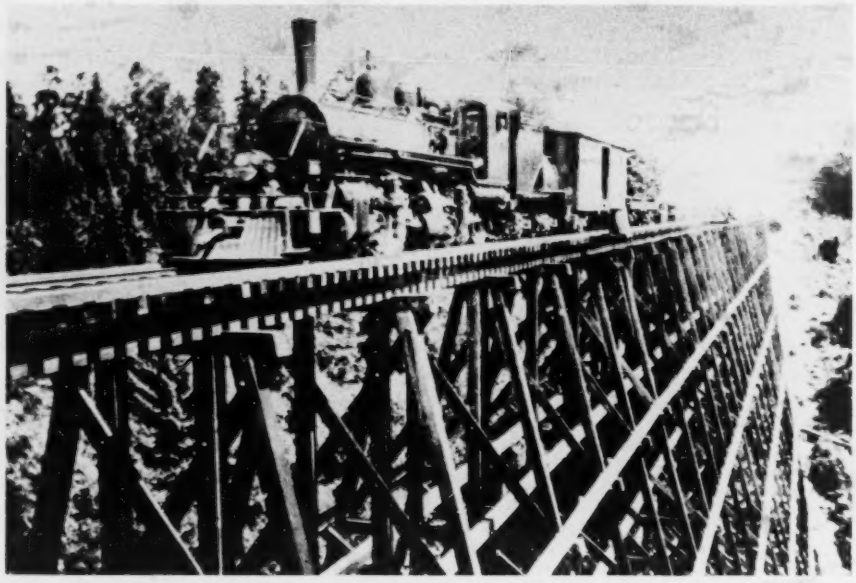
In 1870, the California State Board of Equalization was created by the Legislature to oversee the property tax administered by the counties. In its initial form, the Board was comprised of the State Controller and two Members appointed by the Governor. The Board was responsible for equalizing property tax assessments in order to provide equal and uniform assessment in the 52 existing counties. In the years to follow, the Board faced many challenges, among them, questions of the constitutionality of a Board of Equalization whose members were not elected.

In 1879, a new California Constitution was ratified, and it is directly from that Constitution that today's elected Board is derived. Article XIII, Sections 18 and 19 (formerly 9 and 10) of the Constitution requires that the Board monitor the administration of local property taxation. The Constitution also requires the Board to assess pipelines, flumes, canals, ditches, and aqueducts lying within two or more counties and property, other than franchises, owned or used by regulated railways, telegraph, or telephone companies, car companies operating on railways in the state, and companies transmitting or selling gas or electricity.

There was much turmoil in the tax field generally and in the property tax field specifically during California's early years. Before the turn of the century, the Board battled the railroad companies over their property assessments, often finding the counties siding with the owners of the railroads. Economic troubles plagued the state for the years up to and through the Great Depression of the 1930s. In June 1933, a constitutional amendment (The Riley-Stewart Plan) was adopted, prescribing the property tax responsibilities of the Board much as they are today.

In 1933, the gross receipts tax on public utilities was replaced by an ad valorem ("at value") property tax. The

V. PROPERTY TAXES



The Board of Equalization was created in 1879 to assess the railroads and equalize assessment levels among the counties.

Valuation Division was established at the Board in 1934 to determine value indicators of public utilities, a task it has continued to perform for over 50 years. In 1937, the Board was assigned additional responsibilities with the enactment of the Private Railroad Car Tax, the only state property tax. Revenue from this ad valorem tax on privately owned railroad cars is deposited in the State General Fund.

The Division of Assessment Standards was organized in 1938 and is still providing aid and assistance to county assessors, monitoring the assessment levels in all 58 counties, and reviewing the assessment practices of the counties.

In 1949, the Legislature appropriated funds for an intercounty equalization program to measure the average level of assessments in each county. The purpose of this program was to maintain equity in the disbursement of state funds for schools, which were based on the relative wealth of the counties as measured by assessed values. The first assessment ratios under the intercounty equalization program were used in 1955. That portion of the program dealing with assessment ratios was phased out following the passage of Proposition 13 in 1978 and the balance of the program was merged with the Assessment Standards Division.

In 1966, the Property Tax Assessment Reform Law was enacted. This comprehensive legislation (Assembly Bill 80) expanded the property tax responsibilities of the Board of Equalization. Among its many requirements, Assembly Bill 80 called for training and certification of all state and county property tax appraisers and for periodic in-depth audits of county assessment practices to ensure that procedures and values were being uniformly implemented.

Additional responsibilities were added to the Board in 1976 with the enactment of the Timber Yield Tax Law which discontinued the taxation of standing timber on an ad valorem basis. Instead, the timber is taxed when severed, based on the amount and value of timber harvests.

In June 1978, the California Constitution was amended by the voter-approved initiative Proposition 13 (enacted as Article XIIIA) which brought sweeping changes to property tax administration around the state. The new law restricts the property tax to 1 percent of a factored base-year value and allows reappraisal at current market value only when there is a change of ownership or new construction.

Since Proposition 13 was passed, there has been an unending stream of related legislation, court decisions, and Administrative Code rules affecting Article XIIIA assessments. In November 1978, Article XIIIA was amended to allow the enrollment of current market value when the factored base-year value exceeds current market value. Thus, taxes may be reduced for property which has declined in value. In June 1982, Article XIIIA was further amended to provide an exclusion from change-in-ownership reassessment for property acquired as a replacement for property taken by government, whether by eminent domain proceedings or otherwise. Article XIIIA was amended again in November 1984 to exclude from the definition of new construction certain fire sprinkler systems, fire extinguishing systems, and fire exit improvements as defined by the Legislature. The most recent amendment to Article XIIIA came in June 1986 when the voters approved the exclusion from change-in-ownership reassessment of property acquired as a comparable replacement for property substantially damaged or destroyed by disaster.

In August 1983, Senate Bill 813 brought supplemental assessments to the property tax field. The effect of this legislation is to speed up the collection of property taxes for real property that changes ownership or is newly constructed. Whenever an event triggering reassessment occurs, a new property value is calculated as of the date of the event and a supplemental tax bill is prepared. The supplemental tax bill covers the remainder of the fiscal year and, when applicable, the ensuing fiscal year. The constitutionality of this legislation was sustained in *Shafer* v. *State Board of Equalization* (1985) 174 Cal. App. 3d 423.

PROPERTY TAX PROGRAMS AND FUNCTIONS

Responsibilities of the Board's Property Taxes Department are assigned within the department to three divisions which are overseen by an Assistant Executive Secretary. The three divisions are Assessment Standards, Valuation, and Timber Tax.

The Assessment Standards Division monitors the procedures of the 58 county assessors' offices and publishes periodic Assessment Practices Surveys. It also provides the counties with instruction and assistance on property tax matters. The division has field offices in Sacramento, Fresno, Hayward, and Orange.

The Valuation Division is responsible for producing value indicators for public utility companies and railroads for use by the Board in its annual assessment of these companies. The Valuation Division then allocates these values to the respective taxing jurisdictions throughout the state. The division also administers the Private Railroad Car Tax. The Valuation Division maintains field offices in Orange and Hayward.

The Timber Tax Division is responsible for registering taxpayers, collecting the timber yield tax, conducting audits, developing the harvest value schedules used to determine the measure of tax, and preparing the data for distribution of the revenues collected. Timber Tax Division field offices are located in Eureka, Redding, and Sacramento.

ASSESSMENT STANDARDS DIVISION

Technical Assistance to County Assessors

The Assessment Standards Division provides technical assistance to county assessors and other interested parties. Advisory letters dealing with a wide variety of property tax issues are sent to county assessors, county auditors, county boards of supervisors, attorneys, tax consultants, and other interested parties. The topics addressed include supplemental assessments, various Administrative Code rule revisions, mobilehome assessments, change in ownership, legislation, court decisions, assessment of mineral properties, valuation of restricted properties, exemptions, assessment appeals, new construction, appraiser training and certification, declines in value, disaster relief, the Board's Contract Audit Program, aircraft assessment, assessment of personal property, and assessment of possessory interests. During 1985–86, more than 110 advisory letters to county assessors were issued, plus approximately 2,400 letters to individual taxpayers and state and local officials.

As the need arises, the Board publishes special topic surveys of statewide assessment practices relating to a particular subject area. These surveys are designed to identify special problems facing county assessors and to provide administrative or legislative solutions when possible.

During 1985–86, the Board published surveys on the assessment of mobilehomes, assessment of possessory interests, and assessment appeals procedures. The special topic survey, "Assessment of Mobilehomes," provides a comprehensive guide that should prove valuable to the entire assessment industry. New mobilehomes became subject to assessment on local property tax rolls instead of vehicle license fees beginning July 1, 1980. "Assessment of Possessory Interests" addresses one of the most difficult topics that county assessors have had to deal with since the property tax has been in existence. The complexities of possessory interest assessment were further compounded by passage of Proposition 13 in 1978. "Assessment Appeals" is a topic with which all 58 counties are involved. The survey published in 1986 includes a collection of some 28 rules in the California Administrative Code. A total of seven special topic surveys have been published since the program began in 1980.

The Assessors' Handbook published by the Board is an important element of

The Board's special topic survey report. "Assessment of Mobilehomes," provides a comprehensive guide to the assessment industry. New mobilehomes became subject to assessment on local property tax rolls instead of vehicle license fees beginning July 1, 1980.

the guidance and assistance provided to county assessors in all aspects of property appraisal. The handbook is composed of some 42 separate sections, each of which deals with a specific area of assessment. The handbook is continuously updated. During the 1985–86 fiscal year, revisions were made to the sections dealing with welfare exemptions, and assessment roll procedures.

Special property tax information pamphlets for taxpayers have also been developed. Titles include: "Appeals Procedures," "Business Tax and Property Tax Information for City and County Officials," "Property Tax Facts for Policy Makers," and "Church Exemption, Religious Exemption, and Religious Aspects of the Welfare Exemption."

Assistance is also provided in the area of forms design, development, and revision. Five exemption forms were revised during the year. These revised forms dealt with veterans' exemption, church exemption, homeowners' exemption, religious exemption, and school exemption. Also revised was the supplemental schedule for reporting monthly acquisitions and disposals of property. The preliminary change of ownership report form was extensively revised after many meetings with industry and with the forms subcommittee of the California Assessors' Association.

Assessment Practices Surveys

Sections 15640 and 15646 of the Government Code require the Board of Equalization to survey each county assessor's practices and procedures in the assessment of property for purposes of taxation. The function of these surveys is to determine whether county assessors are performing their duties and responsibilities in a manner that is consistent with state laws, rules, and professional standards. The law also requires that the local assessment roll be sampled by the Board to determine if assessment levels are appropriate. Such sampling must be sufficiently broad in order to be representative of all property classes.

Assessment practices surveys must be performed in each county at least once in every five years. In surveying the counties, it is the intent of the Board to determine the most cost-effective procedures for each particular county assessor's office. Obviously, the extreme range in size and character of various counties requires that each survey be a one-of-a-kind audit. Since the state provides subventions for school expenditures where the local tax base is inadequate, it is of utmost importance that each county collect all the revenue to which it is entitled.

The first step in the audit of a county assessor's office is the sampling of the local assessment roll by staff appraisers. A random selection of properties is made from five categories of taxable properties, and those properties are valued by Board staff according to the laws and rules applicable to that particular property. Any differences in value beween the Board's appraisals and the local assessment are then investigated. Value differences that are unreconcilable are statistically expanded to determine the fiscal impact on the local property tax roll.

Proceeding with the review of the county assessor's office, the survey team analyzes the sample appraisals and reviews the office procedures and practices. A survey report is then issued in draft and discussed with the county assessor. The final draft of the report containing constructive recommendations for improvement of the office functions is transmitted to the county assessor who has 90 days to respond in writing to the report if the response is to be part of the published report.

The county assessor must file a written statement with the county board of supervisors indicating whether or not the assessor intends to implement the Board's recommendations or, if they have been implemented, how implementation was accomplished. The statement must be filed within one year after receipt of the report by the county assessor.

The Board's report is distributed by law to the Governor, Senate, Assembly, Attorney General, county assessor, county board of supervisors, county grand jury, and county assessment appeals board. Upon request, other county assessors are sent the report.

Property Appraiser Colleen Dottarar prepares an appraisal of newly constructed commercial property as part of the Board's review of a county assessor's operations. The Board's sample appraisal will be compared to the assessor's in order to evaluate local assessment practices.

Appraiser Certification and Training

To meet the requirements of Sections 670 through 673 of the Revenue and Taxation Code, the Board has a full-time training and certification unit within the Assessment Standards Division. The training unit presents classes in property appraisal as well as workshops and seminars on various subjects related to the assessment function, such as assessment appeals seminars and new construction workshops.

The Board conducts formal training courses, workshops, and seminars to help county personnel, both professional and clerical, improve their work. During the 1985–86 fiscal year, Board staff conducted 59 sessions for over 1,600 county and Board personnel.

Every effort is made to assure that certified appraisal personnel, as well as others involved with property tax administration, are kept abreast of statutory and judicial changes in property tax law. During 1985–86, 201 appraisers received temporary certification and 166 appraisers received permanent certification. An advanced certificate may be earned either through the successful completion of specific education programs or by examination. One hundred forty-one advanced certificates were issued during the fiscal year. The division is also providing training for members of the local assessment appeals boards throughout the state.

Legal Entity Ownership Program

Proposition 13, enacted in June 1978, requires the revaluation of real property whenever the property changes ownership. Soon after the passage of this constitutional amendment, legislation was enacted that defined a change in control of a legal entity, such as a corporation or partnership, as a change in ownership of the real property owned by the entity. Such a change in control is evidenced by transfer of corporate stock or partnership interest. Unlike the transfer of real property itself, the transfer of interests in legal entities is not accompanied by recordation in the county recorder's office. This makes the job of discovering a change in control a virtual impossibility for the county assessor. Because legal entities often have vast real estate hold-

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1976–77 to 1986–87

Fiscal Year	Assessed Values[a]				Property Tax levies[b]		Average Property Tax Rate (in percent)		Property Tax Relief[c] Amount (000 omitted)
	Gross (000 omitted)	Annual Change As %	Net Taxable[f] (000 omitted)	Annual Change As %	Amount (000 omitted)	Annual Change As %	Nominal[d]	Effective[e]	
1976–77	$96,104,750	13.2	$83,687,264	14.3	$9,376,391	12.9	11.20	2.81	$1,344,981
1977–78	109,390,134	13.8	96,263,695	15.0	10,276,725	9.6	10.68	2.47	1,425,570
1978–79	119,542,405	9.3	105,547,349	9.6	5,035,896	−52.2	4.79	n.a.	786,858
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	n.a.	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	6,360,276	12.4	4.63	n.a.	1,337,588
1981–82	672,280,561[g]	13.6[g]	628,789,188[g]	14.2[g]	7,185,005	13.0	1.144[g]	n.a.	1,314,372
1982–83	752,571,724	11.9	707,690,851	12.6	8,007,037	11.4	1.131	n.a.	1,347,377
1983–84	814,164,230	8.2	767,806,601	8.5	8,634,771	7.8	1.126	n.a.	1,129,181
1984–85	897,322,118	10.2	848,937,474	10.6	9,437,483	9.3	1.113	n.a.	946,929
1985–86	988,036,052	10.1	938,411,637	10.5	10,274,050	8.9	1.096	n.a.	918,059
1986–87	1,080,081,614	9.3	1,027,995,266	9.5	n.a.	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which exemption claims are required (except cemeteries) and the exempt value of business inventories prior to 1980–81 when such property became totally exempt (see footnote); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4–17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' property tax assistance and special supplemental subventions. During 1985–86 the state allocated the following amounts to local governments to cover these: homeowners, $333,828,532; renters, $452,569,659; open-space lands, $13,822,125; senior citizens total, $39,904,430 (property tax assistance, $11,027,972, and renters' tax relief, $28,876,458); special supplemental subventions, $74,617,597; and other, $3,317,135. These amounts total $918,059,478. Reimbursements for the exemption of business inventories were eliminated beginning in 1984–85.

[d] Property tax levies divided by assessed values representing varying percentages of market value.

[e] Property tax levies divided by the estimated market value of net taxable properties. Beginning with 1978–79 an effective tax rate can no longer be calculated, since assessed values are not based on market values.

[f] The growth in net taxable valuation was sharply reduced by the homeowners' exemption ($750 of assessed value from 1969–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; 50% from 1974–75 to 1979–80; and 100% beginning in 1980–81). For 1986–87, the homeowners' exemption accounted for $30,691,272,000 of assessed value.

[g] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date of 1981–82. The percent change was computed after factoring the 1980–81 valuations to 100 percent of value.

n.a. Not Available.

ings, it is essential that the county assessor be informed of changes in control.

The Board's Legal Entity Ownership Program was established as a result of the legislation described above. Using information gathered from Franchise Tax Board returns, the Board determines which entities should be contacted about change in control. Questionnaires are used to determine when a change in control has occurred, and the Board then notifies the affected county assessors that any real property owned by the entity in their county should be revalued.

During fiscal year 1985–86, more than 32,000 initial questionnaires were generated by this program. Over 400 entities were identified as having a change in control, resulting in the reassessment of more than 11,000 parcels.

Contract Audit Program

State law requires the county assessor, once every four years, to audit the accounts and records of every taxpayer owning business property located within that county having total market value of $200,000 or greater. It is not uncommon for these taxpayers to maintain their books of account out-of-state; nor is it uncommon for them to have property in more than one county within the state. In such instances, it is inefficient for a county to send an auditor-appraiser to an out-of-state location to perform an audit on just that portion of the taxpayer's business records that affect that one county's assessment. Therefore, audit cooperatives were created to handle such situations on a more efficient and cost-effective basis.

The Board also offers a similar audit program to the counties. The Board's contract audit program is particularly effective since the Board has audit staff in Chicago, New York, and Houston on a permanent basis, so that travel costs for the counties can be reduced. In 1985–86 a total of 12 counties contracted with the Board to perform their mandatory audits. Fifty-two such audits were performed out-of-state and six were completed in-state.

Property Tax Exemptions

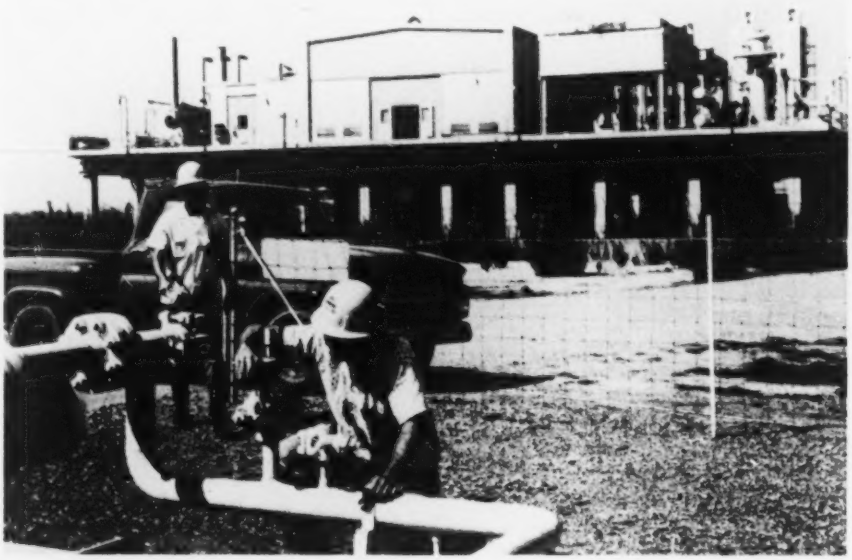
All property in the state is taxable unless it is specifically exempted by federal or state laws. The list of exemptions and restricted assessments is a long one.

Some exemptions require the filing of an application while others do not. Publicly owned property, household furnishings and personal effects, growing crops, and business inventories are examples of automatic exemptions for which no application is required. Many exemptions do require filing of a claim form and may be denied. The filing may be required only once, such as the homeowners' exemption, which is renewed each year unless or until the county assessor discovers that the property no longer qualifies. In some cases, annual filing is required to qualify. An example is the welfare exemption.

Some exemptions are fixed percentages of value. For example, certain documented vessels have a 4 percent limit. The homeowners' exemption is a fixed dollar amount of $7,000. Other exemptions, however, may be on total value, but limited as to duration. An example of this is the exemption for trees and vines that are newly planted.

Certain types of property receive an exemption in the form of a restricted value assessment, such as Williamson Act open-space preserve property or property under historical contract. Although this is not an exemption in the classic sense, the net effect is a reduction in collectible revenue. To offset the revenue loss resulting from some exemptions, the state makes subvention payments to the counties. Programs subvened by the state include the homeowners' exemption and the Williamson Act.

To qualify for the welfare exemption, a property must be owned by a nonprofit organization engaged in religious, hospital-related, scientific, or charitable activities. This exemption, unlike other property tax exemptions, is not handled solely at the county level; it is coadministered with the Board. A claimant must file annually for the welfare exemption. These claims are reviewed by Board staff. The county may deny an exemption that is approved by the staff, but they must deny those that are denied by the Board.



Pipelines which move petroleum products across county lines are subject to appraisal by the Board.

Principal Property Appraiser Gene DuPaul checks the boundaries of a former Union Pacific Railroad repair facility. The value of the site, which is being sold for commercial development, will affect the Board's appraisal of the company's total market value.

VALUATION DIVISION

State-Assessed Properties

The State Board of Equalization is required by the California Constitution, Article XIII, Section 19, to assess annually the property of privately owned public utilities and railroads, with the exception of water utilities and air carriers. These properties are assessed by the Board at full market value and are incorporated into the state-assessed property tax roll.

Property values on the state-assessed roll are allocated by the Board to the counties where the property is physically located. The counties tax the state-assessed property within their jurisdiction at the same rate as locally assessed property—approximately 1 percent of assessed value plus a small amount for bonded indebtedness. (In 1985–86, the statewide average local property tax rate was 1.096 percent.) The tax revenues are allocated to the cities, counties, school districts, and special districts. The state benefits through reduced subventions to the schools.

The total value of the 1986–87 state-assessed roll is $64 billion, up 12.8 percent from the previous fiscal year. The roll will generate approximately $700 million in local property tax revenues.

The property of state assessees is classified by the Board as either unitary or nonunitary. Unitary property is used by an assessee in its primary business operation while the nonunitary property is not used or needed for the primary operation. Nonunitary property can have various purposes, such as grazing, farming, commercial, or industrial usage. Like unitary property, nonunitary properties are assessed at 100 percent of market value, except for open-space lands. However, classification of property as unitary or nonunitary can affect its value. For example, the unitary properties of profitable utility companies are generally more valuable than their nonunitary properties. On the other hand, the nonunitary properties of railroads tend to have a higher market value than their unitary holdings.

The Valuation Division is responsible for preparing value indicators and recommendations for consideration by the Board in its annual assessment of these properties. The Board relies primarily on three indicators of value: historical cost less depreciation, income, and stock and debt. In addition, the staff provides the Board with replacement cost figures and, in some cases, figures derived from comparative sales analyses.

During the 1985–86 fiscal year, the Valuation Division staff prepared estimates of market value for 256 state assessees: 13 electric companies, 171 telephone companies (including radio and cellular telephone companies), 33 pipelines, six railroad car companies and 33 railroads. In addition, the staff prepared appraisals of 246 private railroad car companies to be taxed by the state under the Private Railroad Car Tax Act.

The Board's appraisal methodology and the level of assessments of rail transportation properties is the subject of long-term federal litigation based on the Federal Railroad Revitalization and Regulatory Reform Act (4R Act). The United States Ninth Circuit Court of Appeals has taken under submission the question of whether the federal courts are empowered to hear and decide valuation issues. Upon decision, these cases would return to the federal district court for implementation and resolution of the issue concerning the assessment ratio to be applied to each of the years involved. The outcome of these cases will have significant impact on the level of assessments of rail transportation properties that could in turn affect the assessments of all other state-assessed utilities. (See Statistical Appendix Tables 12A and 12B for assessed values of individual utility companies.)

Cellular Telephone Companies

Beginning in 1984, technological advances made possible the new cellular telephone system of radio service which provides communications far superior to the single-transistor radio telephone. In essence, the cellular radio telecommunication system replaces the single high-powered base station that is conventionally used by mobile telephone systems with a network of low-powered transmitter stations called "cells." As the user moves from one cell network area to another, a computer automatically switches the call without interruption. The result is increased mobile telephone service to tens of thousands of customers, as compared to the few thousand served by the older mobile telephones.

Cellular technology has rapidly created dozens of new businesses subject to assessment by the Board as privately owned public utility companies. In the 1985–86 fiscal year, Valuation Division staff appraised 39 cellular telephone companies, compared to 31 in the previous fiscal year. Overall, assessed market value for cellular phone companies for the 1986–87 tax year is approximately $94 million. Cellular telephone businesses appraised by the Board include wholesale/retail resellers of cellular services which are certificated by the Public Utilities Commission.

V. PROPERTY TAXES

Delineator Geoff Nickless drafts a tax rate area map defining the boundaries of one of California's 8,000 revenue districts. The tax rate area mapping and coding system enables the Board to allocate the property values of railroads, pipelines, and similar continuous structures to the proper taxing jurisdictions.

Private Railroad Car Tax

Privately owned railroad cars are subject to a state property tax based on the value of the cars, the length of time they remain in the state, and the average statewide property tax rate. Railroad cars subject to this tax are owned by companies that haul their own products, lease cars to other shippers, or provide a fleet of cars for a fee. Cars owned by railroad companies are not subject to this tax since they are assessed in the unitary values of the railroads for local property taxation.

To determine the amount of private railroad car tax due, the Board determines the average number of each class of railroad car physically present in California during the year. The value per car, ascertained by staff appraisal, is then multiplied by the number of cars to arrive at the total assessed value for the company. The prior year's statewide average property tax rate is applied to the assessment to arrive at the total due.

The private railroad car tax is the only state property tax. Revenues are collected by the Board for deposit in the State's General Fund. In the 1985–86 tax year, levies totaled $4,490,717, including an amount of $1,340,226 that is awaiting resolution of litigation brought against the Board.

The responsibilities of billing, collecting, and issuing refunds are no longer performed by the Valuation Division as a result of a decision by management to transfer those duties to Property Taxes Administration effective December 1985. The change was made to conform to accepted practice of separating tax assessment duties from tax collection.

In 1986, the California Court of Appeal upheld the decision of the San Francisco Superior Court which ruled in the Board's favor in the private railroad car tax cases brought by the Trailer Train Corporation for the years 1977 through 1980. The decision sustained the Board's appraisal methodology which rejected a capitalized earnings valuation on the ground that the assessee's income was not economic. The choice of a reproduction cost approach was held to be within the purview of the Board. It is likely that this decision will be appealed to the California Supreme Court.

Tax Rate Area Mapping Program

The Board employs a tax rate area system, which is also utilized by the counties, in order to properly allocate the property value of continuous structures such as railroad track, transmission wire, pipelines, and other similar properties to appropriate taxing jurisdictions on the tax roll. The system assigns a number to every geographical area in the state and the taxpayer is required to report subject properties in these numbered tax rate areas for assessment on the Board roll. The portion of the tax roll that pertains to a county is delivered to that county auditor in August each year and the auditor, in turn, extends and collects the taxes. The auditor then distributes the revenues to the county, cities and school districts. There are more than 8,000 taxing jurisdictions defined as "revenue districts" which include every city and district for which the county officers assess and collect taxes.

Locally-assessed properties conform to the same reporting requirements. The county auditor's job of allocating property tax revenues is greatly simplified because both the Board roll and the local roll follow the same coding system.

The boundaries of taxing jurisdictions overlap in every conceivable manner, forming clusters of properties served by common revenue districts with each having a common tax rate. A coding system has been devised which translates this complex geographical configuration into a six-digit tax rate area code that identifies every area where there exists a unique combination of overlapping revenue districts. As of March 1, 1986, there were 45,816 tax-rate areas. This represents an increase of 5.6 percent over the previous year.

Whenever a revenue district is created or territory is annexed to or detached from an existing district, a map, legal description, and other information must be filed with the Board. Staff delineators then plot the new boundaries on a statewide map system and assign the appropriate tax rate area code(s). Prints of the revised maps are distributed to the state assessees and county assessors who are affected by this change. During fiscal year 1985–86, the Board's staff processed 1,880 jurisdictional changes.

The maps maintained by the Board are used to certify to the Federal Government the boundaries of California's cities. The Board's Executive Secretary is designated as the state official responsible for the certification of local government boundary changes. This information is required to maintain accurate census records and to direct the proper distribution of federal revenue sharing funds. Most importantly, the Board's tax rate area maps comprise the only statewide mapping system of local government jurisdiction.

Auditing Financial Records of Utility Companies

The Valuation Division is assigned the responsibility of conducting audits to verify the property statements of utility companies and to collect relevant data to determine taxability, situs of taxpayer properties, and the value of the property. From the date of filing, there is a four-year statute of limitations to review the tax records. Therefore, most of the audits are concentrated on major companies and other audits are precipitated from information provided by staff appraisals, and from the determination of the Property Tax Department Management.

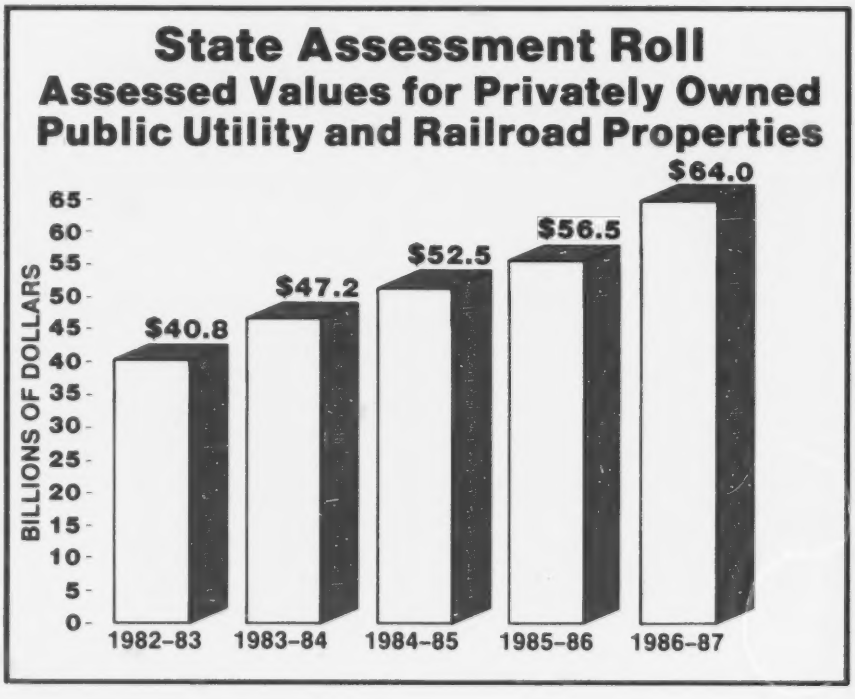
Organized in 1977, the audit unit of the Valuation Division has recovered escape assessments of approximately $1.6 billion that generated a total of $19.1 million in additional local tax revenues. For the year 1985–86, the Board adopted escape assessments of $26 million. Because escape assessments enhance the value of the company, staff auditors' discovery of escape assessments result in added revenues for local governments every year after the escapes are adopted.

TIMBER TAX DIVISION

Timber Yield Tax Program

With the enactment of the Forest Taxation Reform Act, the Timber Tax Division became the newest division at the Board. Effective April 1, 1977, this con-

The timber tax is imposed on the value of logs at the time they are cut. Revenues are collected by the Board and allocated to the timber-producing counties.

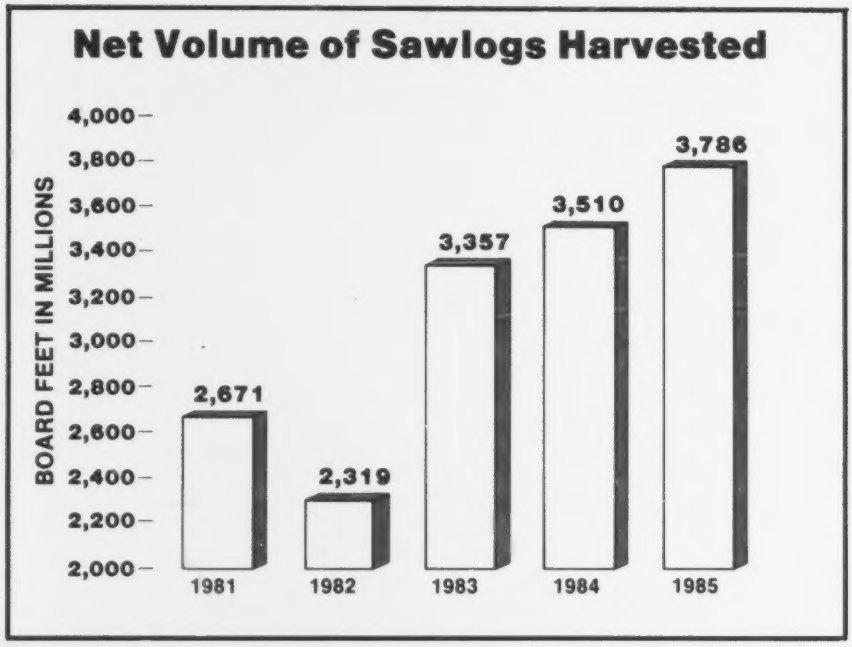


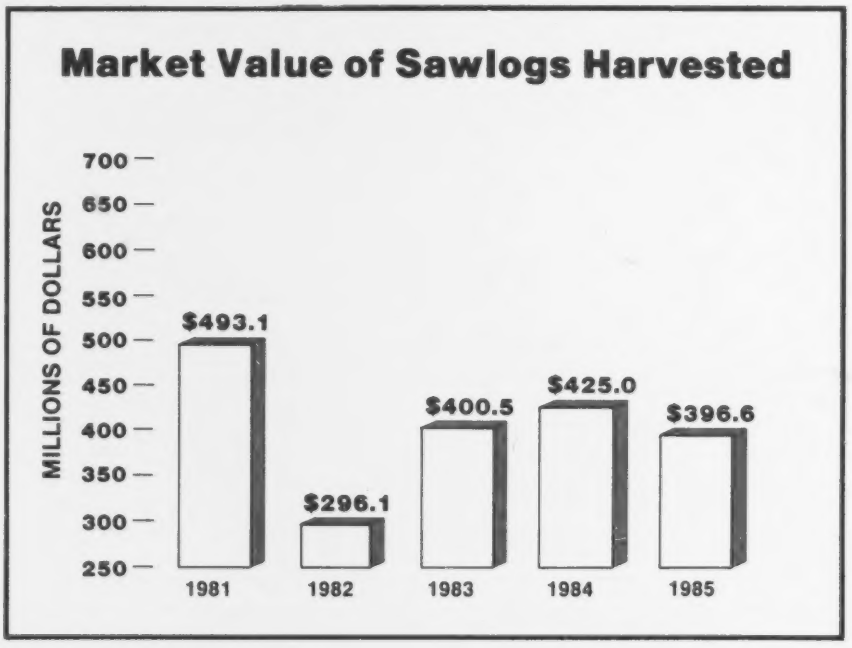
servation measure replaced the ad valorem property tax on standing timber. The Forest Taxation Reform Act resulted from voter approval of Proposition 8 in 1974. The constitutional amendment required the Legislature to develop an alternative method of taxing timber because, under ad valorem taxation, timber owners were often harvesting timber before it was mature due to the increasing value and resulting tax. The state's timber supply was declining rapidly as a result. Under the new law, standing timber is no longer to be included in the market value of the property. Rather, the timber is taxed only once at the time of severance. The law is not designed to reduce property taxes, but to do away with tax disadvantages associated with growing forest products under the ad valorem system.

The Timber Tax Division publishes harvest value schedules which are updated biannually by the division's foresters. It is from these schedules that the value of harvested timber is determined. These schedules establish the market value at time of harvest for each species of forest product. This market value is based on the value of a tree as it sits in the forest on the stump. Based on an analysis of open market timber and log sales in conjunction with on-site sale examinations, the staff determines the value of stumpage.

The Timber Advisory Committee, which is appointed by the Board, reviews the preliminary harvest values developed by the staff. After consultation with the Timber Advisory Committee, the Board adopts the harvest value schedules no later than June 30 and December 31 each year. Registered timber owners must use the harvest value schedules to determine the value of timber harvested as well as the tax amount payable to the Board. The harvest value schedules are developed allowing for geographic distinctions of market areas within the state.

Included on the Timber Advisory Committee is a member of the State Board of Equalization, presently the Honorable William M. Bennett, whose district encompasses the timber-producing counties; a Board of Forestry representative; the assessors from Del Norte, Humboldt, Mendocino, Siskiyou, and Tehama Counties; a representative for large-scale timber owners; and a representative for small-scale timber owners.





The volume and harvest value of sawlogs harvested annually for the past seven years is presented below.

In December of each year, the yield tax rate is reviewed and adjusted as required by law. The new rate is applicable during the following calendar year. The Timber Yield Tax Law specifies that the new rate is the previous year's rate adjusted to the nearest one-tenth of 1 percent in the same proportion as the change in the average general property tax rate in counties as specified. The 1986 overall rate of 2.9 percent has remained the same since January 1, 1983.

The timber tax system is a self-assessment system. Through offices located in Eureka, Redding, and Sacramento, the Board solicits voluntary cooperation from timber owners. To help ensure proper tax collection under this system, the Timber Tax Division registers timber owners, provides tax returns, compiles harvest reports, processes tax payments and returns, conducts verification audits, and reviews harvest operations for tax compliance purposes. Division staff also works on proposed Administrative Code rules to be adopted by the Board Members.

At this time, approximately 1,800 active timber owners are registered with the Board. On the average, new registration and offsetting account closeouts run about 40 per month. During the 1985–86 fiscal year, about 400 additional deficiency billings resulted from the division's verification and compliance activities.

The total tax collected on harvested timber during the 1985–86 fiscal year amounted to $12.7 million on a total timber harvest value of $438 million. The revenue generated from the yield tax is received every three months based on returns filed by timber owners on a quarterly basis.

Revenue from the Timber Yield Tax, after reduction for state costs of administering the program, is distributed to the appropriate counties by the State Controller. Distribution of the revenue is based entirely on county of harvest.

Land in California that is designated for growing timber is identified as being in a Timberland Production Zone (TPZ). Land zoned TPZ is qualified for assessment by the county assessor on the basis of a restricted value as prescribed by law. Approximately 5.6 million acres have been designated Timberland Production Zone. The county assessor must first designate the site class of the land and then apply the appropriate site value when valuing timberland. The site value of timberland is adjusted annually by the Board using a ratio between two sets of five-year timber harvest values. Using the ratio as an index, timberland decreased 5.2 percent in value from 1985 to 1986.

PROPERTY TAXES LEGISLATION

Following is a brief summary of bills passed by the Legislature during fiscal year 1985–86 which are of significance to the Board of Equalization's property tax responsibilities. The bill number, chapter number and effective date of each bill are shown in the summaries which follow.

Assessors Must Provide Access to Records to Franchise Tax Board Employees

Assembly Bill 263, Chapter 200, Statutes of 1985: Amends Sections 408, 408.2, 481, 19052, and 26072 of the Revenue and Taxation Code, effective January 1, 1986.

This legislation requires the county assessor to provide information, abstracts, or access to records to employees of the Franchise Tax Board for tax administration purposes only, as specified. It also provides that information furnished in a preliminary change-of-ownership statement shall be held secret by those authorized to receive or have access to this information.

Welfare Exemption Clarified

Assembly Bill 266, Chapter 542, Statutes of 1985: Amends Section 214 of the Revenue and Taxation Code; makes some clarifying changes to Sections 75.12 and 2189.3 of the Revenue and Taxation Code; effective March 21, 1986.

This legislation makes clarifying changes to Chapter 542 of the Statutes of 1985 with respect to requirements involving statements of irrevocable dedication and dissolution clauses of educational institutions of collegiate grade.

Technical Revisions to Various Property Tax Laws

Assembly Bill 312, Chapter 186, Statutes of 1985: Amends various sections of the Government Code and the Revenue and Taxation Code, effective January 1, 1986.

This bill amends the statutes regarding change in ownership so that the transfer of mineral rights is deemed to be a transfer requiring reappraisal regardless of the period during which the rights may be exercised.

This bill also authorizes the use of the supplemental assessment roll to speed up tax relief to persons acquiring comparable replacement property for property acquired by government.

It also makes the regular assessment roll procedure for the late filing of exemption claims applicable to the late filing of exemption claims for the supplemental roll.

Additionally, it adds provisions to the Timber Yield Tax Law to make the collection procedures comparable to those of the Sales and Use Tax Law.

New Construction Definition Amended to Provide Refunds for Removal of a Structure

Assembly Bill 467, Chapter 441, Statutes of 1985: Amends Sections 51, 75.10, 75.70, and 20505 of, and adds Section 75.16 to, the Revenue and Taxation Code, effective July 31, 1985.

This urgency legislation includes the removal of a structure in the definition of "actual physical new construction" for purposes of supplemental assessments. The legislation also permits recognition of fixture removals for supplemental assessment purposes whether or not the removal is associated with new construction.

Redevelopment Agencies Required to Notify County Assessors of Real Property Leases

Assembly Bill 1318, Chapter 650, Statutes of 1985: Adds Section 33673.1 to the Health and Safety Code and adds Sections 5082.1 and 5086.1 to the Revenue and Taxation Code, effective January 1, 1986.

This bill requires redevelopment agencies to notify the county assessor within 30 days of the lease of real property in the project to any person(s) for redevelopment. The notice shall include the date the lessee acquires beneficial use of the leased property, a memorandum of lease, and a map of the leased property. It would require every public entity to provide the county assessor and auditor a copy of the instrument evidencing acquisition of property by the entity, to indicate on the instrument the date of apportionment, and to provide other specified information.

Exclusion of Solar Energy Systems from Assessment Is Extended

Assembly Bill 1412, Chapter 878, Statutes of 1985: Amends Section 73 of the Revenue and Taxation Code, effective January 1, 1986.

This bill extends the exclusion from assessment for active solar energy systems, as defined, to the 1990–91 fiscal year and would repeal the provisions as of January 1, 1991. The previous exclusion would have been repealed on January 1, 1986 had this extension not been legislated.

Historical Property Definition Changed

Assembly Bill 2104, Chapter 965, Statutes of 1985: Amends, adds, and repeals various sections of the Government Code and amends Section 439.1 of the Revenue and Taxation Code, effective January 1, 1986.

This legislation modifies the definition of qualified historical property by deleting any reference to the requirement of creating a historic zone and refers only to the contract. It deletes some of the existing criteria for a contract and requires the minimum contract period to be 10 years instead of 20. It would permit the city, county, or city and county entering into a contract to require the property owner to pay a reasonable fee not to exceed the cost of administering the program.

Welfare Exemption Broadened to Include College Hospitals

Assembly Bill 2402, Chapter 29, Statutes of 1986: Amends Section 214 of the Revenue and Taxation Code, effective September 9, 1985.

This bill extends the welfare exemption to property owned by an educational institution of collegiate grade which is leased for use exclusively for hospital purposes. The provisions of this legislation relative to the welfare exemption are applicable to the 1986–87 fiscal year.

Floating Home Definition Expanded

Assembly Bill 2409, Chapter 1467, Statutes of 1985: Amends multiple sections of the Health and Safety Code and amends Section 229 of the Revenue and Taxation Code, effective October 2, 1985.

This bill continues the practice of subjecting floating homes to local property tax as real property. The bill expands the definition to include structures modified to be used as waterborne residential structures, while deleting the requirement that the home be designed not to have a power mode of its own.

Property Tax Relief Provided for February 1986 Floods

Assembly Bill 2536, Chapter 16, Statutes of 1986: Adds Chapter 4 to Part 1 of Division 1 of the Revenue and Taxation Code, effective March 11, 1986.

This legislation permits owners of eligible property in a county proclaimed by the Governor to be in a state of disaster because of the February 1986 floods, and which have adopted the specified ordinance, to apply for deferral of the second installment of regular secured roll property taxes. Similar provisions apply to unpaid nondelinquent supplemental roll property taxes for fiscal year 1985–86. The legislation also directed the transfer of $115 million from the Reserve for Economic Uncertainties to the Disaster Response Emergency Operations Account to provide emergency funds to various assistance programs.

Fire Sprinklers Excluded from Reassessment as New Construction

Senate Bill 438, Chapter 427, Statutes of 1985: Adds Section 74 to the Revenue and Taxation Code, effective July 30, 1985.

Implementing a 1984 constitutional amendment, this bill defines "fire sprinkler system," "other fire extinguishing system," "fire detection system," and "fire related egress improvement" for purposes of excluding them from the definition of "new construction" requiring reassessment. Exclusion is dependent on construction or installation being in an existing building, as defined, on or after November 7, 1984.

Replacement of Disaster-Damaged Property Exempted from Reassessment

Senate Constitutional Amendment 28, Resolution Chapter 2: Adds subdivisions (e) and (f) to Section 2 of Article XIII A, effective June 3, 1986.

On June 3, 1986, the electorate adopted Proposition 50. It requires the Legislature to provide that the base-year value of property that is substantially damaged or destroyed by a disaster so declared by the Governor, may be transferred to comparable property, within the same county, that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property. Legislation implementing Proposition 50 is currently pending in the Legislature (Senate Bill 2535, Ellis) and, if enacted, would apply to replacement property acquired or constructed on or after July 1, 1985.

ECONOMIC ANALYSIS VI.

National Scene

The nation's economy moved erratically during the 1985–86 fiscal year and, in general, failed to meet the expectations of the Reagan administration. Among the pundits analyzing the economy were pessimists who predicted recession in 1986 and optimists who foresaw much stronger growth than has materialized. Conflicting indexes of economic performance from month to month have signaled expansion and then contraction, providing some solace to both camps.

The economy seems to be suffering the aftershocks of fiscal and monetary policies of the early 1980s. These policies have succeeded in slashing the rate of inflation and interest rates. At the same time, they have added more than a trillion dollars to our national debt. The impact upon our economy has no precedent in post-World War II economic history and defies conventional economic wisdom. Disinflation is one of the most powerful economic forces today. The Federal Reserve Board's tough monetary policies in the early 1980s succeeded in reducing inflation, but affected various sectors of our economy unevenly. Oil companies have sustained sharp decreases in prices on their refined products. Farmers and manufacturers have experienced decreases in the prices of many of their products. Some farmers are further disadvantaged because they bought land and equipment when prices were inflated, and now, unable to meet their payments, many are suffering foreclosure.

The gross national product (GNP) adjusted for inflation bumped along with no consistency, rising modestly in the summer of 1985 (4.1 percent), but only half as much in the following quarter (2.1 percent). It bounced back in the first three months of 1986 (3.8 percent), but during the final quarter of the fiscal year, the spring months, it fell to its lowest level during 1985–86, a mere 0.6 percent. (These are seasonally-adjusted annual rates.)

The Department of Commerce in 1985 overhauled the national income and production statistics of the GNP. The price base for estimating the dollar volume of GNP was advanced from 1972 to 1982. Estimated allowances were made for the so-called underground economy, those economic activities which are not reported to the Internal Revenue Service. (The Department of Commerce gets its income data from the IRS.) Additional information on computer sales and services has also been incorporated into the index.

The estimates for underground activities include cash payments by small businesses to employees and by homeowners to domestic workers or moonlighting repairment, tips for waiters and waitresses, cash purchases from roadside vendors, and honoraria and prizes to professionals and others which have not been reported for tax purposes. No estimate is made for illegal activities, such as gambling and prostitution, which the Department of Commerce experts believe to be greater than the legal underground economy.

The new price base has provided a more accurate picture of real (inflation-adjusted) GNP performance in recent years. It reveals that the 1982 recession was somewhat deeper than previously indicated and that the expansionary period which followed has not been as strong as the older index had led us to believe. The adjustments for the underground economy had very little effect on GNP growth rates but they increased the magnitude of GNP from $3.9 trillion to more than $4.0 trillion annually.

The dynamic nature of our economy, which is continuously becoming more service-oriented, calls for revisions in the SIC (Standard Industrial Classification Manual) codes to provide greater data on sales and services of computer-related businesses. The Board of Equalization's coding system suffers the same inadequacies as the federal system in pinpointing computer-related businesses. This type of business has expanded so rapidly in each major category—retail, service, and manufacturing—that separate classes of business would need to be created in each category to provide information on each segment of this industry.

Consumers are the driving force behind business expansion in the current recovery period, spending and borrowing more while saving less.

VI. ECONOMIC ANALYSIS

Consumers who account for about two-thirds of all economic activity measured by the GNP have been acknowledged as the driving force behind business expansion in the current recovery period. They have fueled the economy by spending a higher proportion of their income, saving a reduced percentage, by borrowing more than ever before, and assuming ever-larger payments on their installment debt. Outstanding consumer installment credit topped $567 billion in June 1986, 15 percent higher than a year earlier. To service this debt required a record 18.8 percent of all disposable (after-tax) personal income. On the surface, this debt may seem to be unreasonably high. Consumers, however, have been able to cope with it as they have been motivated by strong confidence in the economic outlook, increased personal income, lower interest rates, and price stabilization.

Procedures for computing installment debt tend to exaggerate it. The use of credit cards has increased to 21 percent of all installment (short-term) borrowing. Surveys, however, indicate that about half of all credit card charges are repaid when they become due each month and are not subject to any interest charge. The credit card holders have simply used the credit cards instead of cash. Nevertheless, the Federal Reserve System, which compiles these figures, counts all such debt as installment borrowing. If half of the credit card charges were excluded from installment debt, the ratio of outstanding installment credit to disposable personal income would be only 17 percent, a ratio low enough so that no one would question the ability of consumers to repay it. The Federal Reserve Board is studying ways to adjust its statistical series on installment credit to allow for credit card use that actually is not borrowing.

Imports, especially those from Japan, have been criticized not only because they have grown so fast but also because our own manufacturers have found too little reciprocity. Japanese trade barriers either prohibit the importation of many American products or force prices so high by tariffs that they cannot be competitive with similar Japanese-made products. The U.S. balance of trade was negative every month of the fiscal year and our trade deficit totaled more than $160 billion for the fiscal year. The trade deficit is so large that the United States has become a debtor nation. Indeed, the sluggishness of our economy is attributed by some to the trade deficit which is depriving Americans of thousands of manufacturing jobs.

Nationally, unemployment hovered around 7 percent throughout the fiscal-year and the rate in California was just a little less. Many economists have come to the conclusion that the normal rate of unemployment over the years has risen to the range of 6-to-7 percent of the civilian work force. Demographics have pushed the rate upward as larger numbers of women and young people—segments of our population which experience high unemployment—have joined the labor force. Another statistic which may give a better perspective to the labor situtation is the employment ratio—the percentage of working age Americans who hold jobs. This ratio has been rising continuously over the years. From 57.3 percent ten years ago it has increased to approximately 61 percent. New jobs are continually being created even though they do not fully accommodate the rapidly expanding portion of our population which wants to work.

The Dow-Jones industrial average, which is based on the prices of 30 stocks, soared to new heights during the fiscal year, rising from 1,327 to 1,878, and a few days after the fiscal year closed it topped 1,900 briefly. Broader measures of the stock market, Standard and Poor's 500 stock index and the New York Stock Exchange's index of common stocks, recorded strong but less dramatic increases.

The surge in stock prices was not an ordinary boom. Usually a bull market (one where prices are rising) would lead to greater consumer spending, especially for durable goods. This type of stock boom is induced by raising the long-term prospects for growth and earnings. As expectations for sustaining higher levels of income and consumption become widespread, spending is increased. Another type of stock market boom is based primarily on lower rates of inflation and lower interest rates. This typifies the current stock-market surge. Projections of growth and earnings have not been increased; therefore, it seems logical that little of the increase in net worth generated by rising stock prices will be spent on consumer goods and services.

In December 1985 President Reagan signed the Balanced Budget and Emergency Deficit Control Act of 1985, better known as the Gramm-Rudman-Hollings Act. This raised the national debt ceiling to $2 trillion and established deficit targets for each fiscal year through 1991 when the federal budget should be balanced. The deficit of more than $200 billion for fiscal 1986 would be reduced to zero for fiscal 1991. To reduce the deficit, spending cuts would be divided equally between defense programs and nondefense programs which are not explicitly exempted by the act, such as Social Security benefits, low income programs, and interest on the federal debt. The automatic budget-cutting provision of the act was ruled unconstitutional by a special federal judicial panel in February and by the U.S. Supreme Court in July, thus placing additional burden on Congress to achieve the deficit reduction goals of the act.

The tax reform bill pushed through Congress in 1986 by Representative Daniel Rostenkowski in the House and Senator Robert Packwood in the Senate culminates several years of proposals for revisions in the federal tax structure. One of the main features of this legislation is the reduction of the number of income tax brackets from 14 to just two. The amount of the personal exemption is raised to $1,900 for 1987; $1,950 for 1988; $2,000 for 1989; and indexed thereafter. The bill as it emerged from the House-Senate conference committee also contained a number of controversial features.

State sales taxes would no longer be deductible. Also excluded as a deduction are payments to most IRAs. The provision allowing 60 percent of capital gains to be excluded from gross income is canceled. The effects of the bill vary substantially from one state to another and from one individual to another. These revisions to the federal code will

also impact on state income taxes, but it is impossible to accurately estimate the revenue effect at this time. A portion of the effect will stem from behavioral changes as taxpayers attempt to lower their federal income taxes. For example, taxpayers may elect to realize long-term capital gains in the 1986 income year in order to avail themselves of the 60 percent exclusion. This will tend to increase 1986–87 state income tax revenues at the expense of subsequent years. Behavioral changes can also be expected to increase certain sales subject to sales tax in the 1986 calendar year, as taxpayers accelerate the purchase of big ticket items such as automobiles in order to retain the sales tax deduction on those purchases. Also, California will undoubtedly choose to conform at least portions of its income tax to the new federal code.

Imported Automobiles and Our Economy

Political pressure for voluntary restraints on imports of Japanese-made vehicles arose when our economy was deep in the 1980–81 recession. As first proposed, quotas on imports were intended for one or two years, time to allow domestic auto makers to retool and to install more automatic manufacturing and assembling processes. At that time, Japanese manufacturers were able to produce a car in half the man-hours required by American manufacturers and Japanese auto workers were only paid about half as much as their American counterparts. Consequently, the cost of manufacturing a car in Japan was about $1,500 less than the cost in the United States. After paying transportation charges for importation to America, the Japanese had a cost advantage of about $1,000 per car.

The voluntary restraints limiting Japanese imports of automobiles to 1,680,000 vehicles a year as first adopted had only a minor impact in the first two years (April 1981 through March 1983) because the U.S. auto market was so weak that the Japanese could not sell the total number allowed under the quota. Then, during the early stages of economic recovery, business expansion camouflaged the accelerating impact of imports. However, as economic growth slowed in the advanced stages of recovery, the effect of imports became more pronounced as they continued to capture an ever-larger share of the market. During the first three years of restraints (April 1981–March 1984), the Japanese share of the U.S. auto market rose from 17 percent to 22 percent.

By the late 1970s, the Japanese had developed high-quality, fuel-efficient small cars. Consumer surveys indicated that they were more trouble-free, at least in their first few years of operation, than any U.S. makes. Early in the 1980s, the preference of American motorists shifted from subcompacts to sportier and more luxurious models. Japanese and European manufacturers moved quickly into this market. The quality, styling, handling, and technology of Japanese vehicles have made them popular, especially in California where imports have accounted for half of all new vehicles sold over the last five years, double the U.S. average. In the last two years, a seller's market developed for Japanese cars as the demand exceeded the supply. Into this buoyant market, the Japanese imported high-markup luxury vehicles loaded with costly options. Manufacturers raised prices sharply to maximize their profits on the shipments allocated to them and dealers have frequently commanded $1,000 or more above sticker prices for hot new models

The quota system has virtually eliminated competition among Japanese auto dealers in the U.S. because they have been able to sell every vehicle they are allowed to import. The benefits of the allocation system which is administered by Japan's Ministry of International Trade and Industry have been handed ipso facto primarily to Toyota, Nissan, and Honda, which have been awarded the largest quotas because allocations were based on each company's percentage of U.S. sales prior to restraints. While these three were guaranteed sizeable allotments, small Japanese manufacturers have either been shut out of the market or their allocations are so small that they have not been able to set up systems of dealerships.

Early in 1985 the Japanese auto manufacturers raised their import volume for the year to 2,300,000 vehicles, up from 1,850,000 vehicles in 1984–85. A year later, under the threat of stringent protectionist measures from Congress, they

Sales of American-made cars have declined as the popularity of imported models has increased. Imports accounted for half of all new vehicles sold in California over the past five years, double the U.S. average.

agreed to ship the same number during 1986–87. By restricting the number of imported vehicles, the Japanese are able to continue to command premium prices which would not be possible if they flooded the market. One analyst of the auto industry has estimated that by 1985 the price tag on a Japanese import was about $2,500 higher than it would have been if quotas had never been imposed. His research showed that popular Toyota and Nissan models were selling in Japan for around $3,000 less than their price in the U.S. In the year before quotas were first imposed, the difference was only about $500.

An unforeseen aspect of the quota system that has received little notice is its impact on the prices of American-made vehicles. As prices on Japanese-made vehicles escalated, domestic manufacturers seized the opportunity to boost their prices continually. Research into prices of domestic vehicles led the same auto analyst to conclude that American-made automobiles were priced about $1,000 per vehicle higher than the cost would have been if restraints had never been imposed on imports.

In the final analysis, the higher costs have been imposed to a large extent on the American workers who have bought new cars. It is estimated that in 1984 U.S. consumers paid approximately $8 billion more for domestic models and some $5 billion more for Japanese imports than they would have paid if quotas had never been imposed. In 1985, the premium was even greater because sales of domestic autos were up 3.1 percent to 8.1 million vehicles and sales of imports (European and Asian) topped 2.8 million units, up 16.6 percent. Auto makers point out that the quota system has benefitted our overall economy by enabling them to create several hundred thousand jobs. However, their critics, reply that if customers had not been forced to pay the extra billions of dollars for autos and trucks they would have spent the money for other types of consumer goods and a greater number of jobs would have been created in other industries.

Buyer's Market for Petroleum

As the fiscal year began, the oil ministers of the Oil Producing and Exporting Countries (OPEC) met in Vienna, Austria, to tackle the problems of overproduction and falling prices of crude oil. Their Market Monitoring Committee recommended that they cut back production or reduce their official prices. Political and economic considerations forced some of their members to oppose reductions in either prices or quotas. Dissension was so vehement that the delegates did not even meet together in a formal conference.

The oil market deteriorated so rapidly during July 1985 after several non-OPEC members cut petroleum prices, that OPEC's oil ministers were called to Geneva for an emergency session before the end of the month. The members refused to discuss the sensitive issue of quotas. They did, however, agree to token price reductions—20 cents a barrel for medium grade oil and 50 cents a barrel for heavy crude.

Oil prices plunged throughout fiscal 1985-86 as oil producing countries were unable to reach agreement on production quotas. Declining oil prices were a major factor in keeping inflation low.

When OPEC's delegates met officially in Vienna in October it was obvious that each of them was determined to pursue his own national interests. In mid-September Saudi Arabia had set the stage for this meeting by announcing contracts with several U.S. companies at prices $2 to $3 a barrel less than OPEC's official price of $28 a barrel. OPEC issued a prosaic plea for cooperation from non-OPEC oil producers, such as Great Britain, Norway, and Mexico to uphold prices, but their words fell on deaf ears.

The final session of the year for OPEC's oil ministers convened in December 1985 in Geneva. In their determination to hold on to what they considered their fair share of the world's oil market (between 16 and 18 million barrels per day of the total of about 46 million barrels per day demanded by non-Communist countries), they again threw down the gauntlet to non-OPEC producers to help stabilize the market. Rebuffed by the attitude of oil producers outside of the cartel, OPEC literally declared economic war on them. Each member nation of the cartel seemed determined to work in its own national interests, producing as much as it could sell at prevailing market prices. Prices immediately plunged in a downward spiral that continued into the spring and summer of 1986.

A special committee of five OPEC members met in Vienna early in February to lay plans for their next full conference. They faced an urgent situation because the average price of oil had dropped to $24 a barrel by late January. While they argued over ways to prop up the price of crude oil, the price war was intensified and prices continued to tumble. In mid-March, when the price of crude oil had fallen to $14 a barrel, the 13 OPEC oil ministers met in Geneva with representatives of five non-OPEC oil producers for their 77th conference, which became the longest ever held—a record nine days. They acknowledged that their tactical price war was a failure and agreed that the downtrend in prices could be reversed only by cutting back on production. A strong majority, however, rejected the imposition of any quotas. It now appears that when the Saudis ignited the price war in the fall of 1985, they mistakenly assumed that its duration would be short. Obviously, it became far more pervasive and persistent than anticipated.

After a brief recess, OPEC's members returned to Geneva in mid-April for an emergency session. They were frustrated by their failure to secure any compliance from non-OPEC oil producers. Production costs are much greater in the North Sea than in the Middle East. Therefore, the cartel could, in time, force compliance from countries such as Britain and Norway. As the price of crude oil drops below $15 a barrel a number of petroleum producers, such as the United States, Britain, and Norway, find it is no longer profitable.

Late in June, OPEC's oil ministers gathered on the resort island of Brioni in the Adriatic Sea off the Coast of Yugoslavia. Once again their efforts to formulate a strategy were futile. Policy is set primarily by Saudi Arabia which seemed intent on prolonging the price war and producing at a high level in hopes of eliminating the competition from marginal producers.

California is the nation's fourth largest oil producer, behind Texas, Alaska, and Louisiana. The impact of the oil slump has a far greater impact on the economies of the other states than it has on California because oil represents a much larger share of their economic activity. While Kern and Ventura Counties are most adversely affected by cutbacks in oil production, the state's economy as a whole reaps benefits from low oil prices. Cheap oil will stimulate the creation of tens of thousands of jobs in each of the major job sectors—manufacturing, services, and retail trade—according to the Business Forecasting Project of the University of California at Los Angeles. The lower prices on petroleum products are also a major influence in limiting inflation.

Revenue Growth Slows

Tax programs administered by the Board produced state and local revenues totaling $16,028,700,000 during fiscal year 1985–86, an increase of $840 million or 5.5 percent over 1984–85. Revenue growth from 1983–84 to 1984–85 of 10.6 percent had been almost twice as large. Levies from each tax are presented in the accompanying text table; additional detail and historical comparisons are given in Appendix Table 2. (All major sources of state revenues are presented on page 10 for comparative purposes.)

The combination of all state and local sales and use taxes produced $13,608,767,000, advancing 5.7 percent during the fiscal year. These taxes comprised 85 percent of revenue from Board-administered tax programs. The state's portion of the sales tax, levied at a 4.75 percent rate, grossed $10,317,990,000, while the part allotted to other governmental agencies –cities, counties, and transit district—totaled $3,290,203,000. (Details are given in Appendix Tables 19 through 23.)

Transit district taxes at the rate of 0.5 percent were levied by six jurisdictions encompassing seven counties. Two of those jurisdictions cover the same area, Santa Clara County, thereby making the total rate in that county 7 percent, as compared to the overall rate of 6.5 percent in the other six counties covered by transit district taxes and 6 percent in the 51 counties in which there are no transit district taxes. The 1985–86 year marked the first full year of revenue from the 0.5 percent rate levied by the Santa Clara County Traffic Authority, which became effective April 1, 1985.

The state's fuel taxes aggregated $1,217,381,000 during the year under review, 2.6 percent more than fiscal year 1984–85. Distributions of gasoline and consumption of diesel fuel for highway use totaled 13.4 billion gallons. Since these taxes are levied on a per-gallon basis, they were largely unaffected by the year's price reductions that caused sales taxes on fuel to decline. (Historical data on assessments are presented in Appendix Tables 24–26.)

The state's excise taxes on both alcoholic beverages and cigarettes declined slightly in 1985–86, just as they had the year before. Alcoholic beverages, which are taxed by the state at rates ranging from one cent per gallon for wines of 14 percent or less alcoholic content to $2.00 per proof gallon for distilled spirits, produced $132,262,000, a decrease of 2.6 percent for the fiscal year. Total consumption of both beer and wine increased, by 1.4 percent and

9.1 percent, respectively. However, distilled spirits distributions dropped by 3.2 percent. Since over 75 percent of alcoholic beverage taxes comes from distilled spirits, the decline in the tax on distilled spirits was more than enough to offset the increase in beer and wine taxes.

This was the seventh straight year that consumption of distilled spirits has declined. Also, the 1985–86 drop was the second largest during that seven-year period. A portion of this exceptionally large decrease can probably be attributed to the increase in the federal excise tax on distilled spirits from $10.50 per proof gallon to $12.50 effective October 1, 1985. (See Appendix Tables 27–29 for historical data on taxes, total consumption, and per capita consumption by major type of beverage.)

The excise tax of 10 cents per pack of twenty cigarettes yielded $258,142,000, a decrease of 1.8 percent. Per capita consumption of cigarettes dropped even more, from 105.6 packs per year to 101.3 for a decrease of 4.1 percent. This figure has declined each year since 1975–76, when it was 133.1 packs. (See Appendix Tables 30A and 30B for additional data regarding the cigarette tax.)

The electrical energy surcharge levied on the use of electricity in California produced $34,839,000, a token increase of just 1.2 percent over fiscal year 1984–85. This was the second smallest increase in this tax since its inception in 1975. The emergency telephone users surcharge, a levy to fund the 911 statewide emergency number system, yielded $34,544,000, an increase of 14.4 percent.

Fiscal year 1985–86 was the first full year of revenue for the Moore universal telephone service tax. Receipts grew to $88,139,000 from prior year collections of $57,637,000. Although the tax, which was levied at the rate of 4 percent on gross revenues from in-state telecommunication services, became operative for services provided on or after July 1, 1984, tax returns for the latter portion of 1984–85 were not received until 1985–86. The revenue from this tax will decline considerably during 1986–87, as the rate drops to 1.5 percent effective July 1, 1986.

Revenues from the two Board-administered taxes on hazardous wastes amounted to $24,324,000, just 1.9 percent less than the prior year. However, there was a sizable shift between the two taxes. The hazardous waste control tax dropped 36.7 percent. This tax was almost completely restructured effective July 1, 1985, when the tax shifted from a monthly levy on the disposal site operator to a quarterly levy on the generator of the hazardous waste. A portion of the revenue decline can be attributed to the different timing of the filing of tax returns on a quarterly basis. Changes in the method of disposal of certain waste may also have contributed to the drop in revenue, but because the tax was reported by different sets of taxpayers during the two years, it is difficult to isolate the cause of some revenue shifts.

The second tax on hazardous waste, the hazardous substance tax, rose 36.7 percent. This tax is levied annually in May (due by July 1) based on waste generated in the prior calendar year. Assessments are computed to total an amount set by statute. The increase in the revenue received during 1985–86 over that received in 1984–85 is a result of the statutory total increase from $10 million on waste generated during calendar year 1983 to $15 million that waste generated during calendar year 1984.

Locally collected property taxes on state assessed properties rose to $614,929,000, an increase of 9.0 percent. With property tax rates relatively stable, the increase in taxes was largely driven by an 8.6 percent increase in assessed values. The timber yield tax, which is levied at the time timber is harvested in lieu of any annual ad valorem property tax, totaled $12,293,000, down 6.4 percent. The private railroad car tax, levied on railroad cars owned by firms other than operators of railroads, produced $3,081,000, a decline of 8.8 percent.

Taxable Sales Activity

Transactions subject to California's sales or use taxes totaled $211.8 billion during fiscal year 1985–86. The increase in current-value dollars was 5.1 percent, but after adjustment for price increases which averaged 4.1 percent for the fiscal year as measured by the California Consumer Price Index, the volume of taxable sales grew by only 1.0 percent from that of 1984–85. This was the lowest rate of growth since fiscal 1982–83. The first quarter of 1986 was down by 0.8 percent from first quarter 1985. Second quarter 1986 showed a slight improvement, with a 0.1 percent increase over second quarter 1985.

Retail stores reported $137.8 billion in taxable transactions during the fiscal year, accounting for 65.0 percent of all taxable transactions, an increase over 1984–85 of 4.8 percent. Business and personal service establishments, whose tax is based primarily on materials and parts used in service and repairs since repair labor is exempt from tax, had taxable sales totaling $9.2 billion, an increase of 9.4 percent. "All Other Outlets"—primarily all types of manufacturers and wholesalers, construction contractors, and part-time permittees regardless of type of business—recorded taxable transactions of $64.9 billion by increasing 5.2 percent over the preceding year. (See Appendix Table 19 for detail on sales tax revenues and number of sales tax permittees, by type of business.)

Once again, outlets concentrating on durables outperformed those featuring nondurables. Durables increased 7.0 percent over 1984–85, while nondurables advanced only 3.1 percent. New car dealers, a mainstay of durables, reported taxable sales of $22.1 billion, a 7.7 percent increase over the preceding year. New motor vehicle registrations hit a record high of 1,798,266, an impressive 20.0 percent increase over 1984–85. New auto registrations advanced by 22.2 percent, outpacing new truck registrations which grew by 13.1 percent.

In the fall of 1985, the "Big Three" auto makers raised their prices on the newly introduced 1986 models by 3-to-9 percent. These higher prices combined with the expiration of sales incentives around the end of September sharply curtailed sales of new motor vehicles. With inventories of American-made models piling up, manufacturers again began offering incentives. Chrysler Corporation initiated the incentives

Retail stores, which account for 65 percent of all taxable sales activity, reported gains of 4.8 percent during 1985–86.

by offering either low-interest financing or a rebate of $500 or more on about half of its models. Then General Motors Corporation announced a low-interest financing plan applicable to all of its compact models. Ford Motor Company followed by offering low-interest rates on compact models.

Half of all auto sales on the west coast are imports from Japan. Japanese manufacturers have agreed to limit their 1986–87 imports to the United States to 2.3 million units, the same number imported in the 12 months ending March 31, 1986. The demand for Japanese imports has lessened because of extremely large price increases on many models caused by both the rising value of the yen against the dollar and the installation of additional costly features by manufacturers.

Taxable receipts for department stores, the largest single type of business featuring nondurables, reached $17.3 billion, which ranked second to new car dealers in sales volume. Department stores accounted for 8.2 percent of all taxable transactions in the state. They posted a mild 5.2 percent growth over 1983–84. Specialty stores rang up taxable receipts of $15.9 billion but showed only 4.3 percent growth.

With gasoline prices plummeting, service stations posted taxable sales of only $13.4 billion, 5.2 percent less than in 1984–85. (In our classification system, refineries and bulk plants of oil companies operating service stations are also included under this class of business.) Distributions of gasoline were up a modest 2.0 percent to 11,878,617,000 gallons. However, the April-to-June quarter for 1986 recorded a 5.1 percent increase in gasoline distributions and it is reasonable to expect this level of growth to continue at least as long as gasoline prices remain low.

The amount spent on gasoline during the fiscal year is estimated at $12,431,174,000, down 5.1 percent from 1984–85. The magnitude of the price drop is clearly illustrated by the April-to-June quarter in which distributions grew by 5.1 percent and estimated expenditures for gasoline decreased by 16.6 percent. The estimated price of gasoline averaged $1.048 a gallon for the year excluding sales taxes, 7.7 cents a gallon less than the average in 1984–85. The April-to-June 1986 average price was $.936 a gallon, a full 24.5 cents a gallon less than the comparable period in 1985. The estimated price is weighted for all grades of gasoline and all types of service at retail stations and for bulk sales to fleet operators.

Quarterly performance of service stations is presented in the following table. Diesel fuel for highway use totaled 1,527,237,000 gallons. The 4.2 percent increase in consumption closely paralleled the pattern set by gasoline.

The building materials group showed the largest growth of any industry. Taxable sales of $9.6 billion were 12.2 percent over 1984–85. Along the same line, construction contractors who are classified with "all other outlets" reported taxable transactions of $11.2 billion, 7.7 percent above 1984–85. Home building

VI. ECONOMIC ANALYSIS

Residential construction soared in 1986 as mortgage rates dropped to their lowest level in more than six years.

was a major source of strength in the economy as mortgage rates dropped to their lowest level in more than six years. Construction of new residential units reached 284,525, up 26.4 percent from 1984–85. However, the valuation of new nonresidential construction did not keep pace, totaling $9.7 billion, a decrease of 1.1 percent.

Taxable sales performance in the four major regions of the state defined by the Board showed some diversity. The northern California and mountain counties posted the largest growth, pacing the state with a 6.4 percent advance. The eight counties making up southern California ranked second in sales growth, with a gain of 5.7 percent. The nine-county San Francisco Bay Area shared third place honors with the San Joaquin Valley and central coastal counties, with taxable sales growth of 2.3 percent. Fifty of the state's 58 counties registered higher levels of taxable sales during 1985–86. Of the eight counties that posted declines, seven were small- or medium-sized rural counties. The eighth county was Santa Clara, accounting for 6.5 percent of all taxable transactions in California, which has been hurt by a slowdown in its electronics industry. (Detail for counties for the fiscal year is presented in Appendix Table 20.)

Outlook

The outlook for the economy is cautiously optimistic. The consensus forecast is that taxable sales in the second half of 1986 will be held down by the lower gasoline prices and the restraining influence of high consumer debt levels built up over the past three years. However, the feeling is that consumer spending should expand in 1987 as the lower energy prices and decreased interest rates provide households with additional spending power.

1985–86 Taxable Sales by Quarter; Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

Quarter	Taxable Transactions		Percent Change From Prior Year In		
	Amount	Percent of Total	Actual Dollars	Constant Value Dollars	California Consumer Price Index
July–September	$52,630,249,000	24.8	7.8	3.1	4.6
October–December	55,691,752,000	26.3	6.2	1.9	4.3
January–March	49,505,345,000	23.4	3.2	−0.8	4.1
April–June	54,002,755,000	25.5	3.3	0.1	3.2
Fiscal Year	$211,830,101,000	100.0	5.1	1.0	4.1

COMPARISON OF REVENUES 1984–85 and 1985–86
(In thousands of dollars)

Revenue Source	1984–85	1985–86	Percent Change
Sales and Use Taxes			
State tax (4¼%)	$9,797,612	$10,317,990	5.3
City and county sales tax (1%)	2,045,988	2,150,252	5.1
County transportation tax (¼ of 1%)	511,905	538,201	5.1
Transit district taxes (½ of 1%)			
San Francisco Bay Area [1]	112,547	115,333	2.5
Santa Clara County	72,805	69,140	−5.0
Santa Cruz County	7,298	8,137	11.5
Los Angeles County Transportation Commission	289,892	313,502	8.1
San Mateo County	27,029	28,177	4.2
Santa Clara County Traffic Authority	9,678	67,461	[3]
Other taxes and fees	501	574	14.6
TOTALS	$12,875,255	$13,608,767	5.7
Fuel taxes and fees			
Gasoline and jet fuel	1,055,748	1,084,831	2.8
Diesel and other use fuel	131,244	132,550	1.0
TOTALS	$1,186,992	$1,217,381	2.6
Alcoholic beverage taxes	135,787	132,262	−2.6
Cigarette tax	262,870	258,142	−1.8
Electrical energy surcharge	34,432	34,839	1.2
Emergency telephone users surcharge	30,190	34,544	14.4
Universal telephone service tax	57,637	88,139	[3]
Hazardous waste control tax	13,030	8,252	−36.7
Hazardous substance tax	11,761	16,072	36.7
Local taxes on state assessed properties [2]	564,265	614,929	9.0
Timber yield tax	13,131	12,293	−6.4
Private railroad car tax	3,377	3,081	−8.8
GRAND TOTALS	$15,188,727	$16,028,700	5.5

[1] Metropolitan Transportation Commission revenues have been included on this line. Interest is accrued on MTC monies until they are allocated. Interest amounted to $426,477 in 1984–85 and $348,038 in 1985–86. Additional details are given in Appendix Table 22B, footnote a.
[2] Collected by county tax collectors.
[3] Not computed. 1984–85 revenues are not for a full year.

New Vehicle Registrations and Taxable Sales of New Car Dealers, by Quarter, 1985–86

Quarter	Number of Registrations of New Vehicles: Automobiles Number	Automobiles Percent Change Year to Year	Trucks Number	Trucks Percent Change Year to Year	Total Number	Total Percent Change Year to Year	Taxable Sales of New Car Dealers: Amount	Percent Change Year to Year
July–September	369,511	32.4	113,023	39.2	482,534	34.0	$5,872,418,000	22.0
October–December	329,725	12.1	92,584	13.6	422,309	12.4	5,027,469,000	4.0
January–March	339,906	16.8	93,403	1.9	433,309	13.2	5,192,568,000	−0.7
April–June	355,663	28.1	104,451	2.2	460,114	21.1	5,968,028,000	6.3
Fiscal Year	1,394,805	22.2	403,461	13.1	1,798,266	20.0	$22,060,483,000	7.7

Taxable Transactions of Service Stations Compared to Gasoline Distributions, by Quarter, 1985–86

Quarter	Taxable Transactions: Amount	Taxable Transactions Percent Change Year to Year	Gasoline Distributions: Gallons	Gasoline Distributions Percent Change Year to Year	Gasoline Distributions: Estimated Expenditure	Gasoline Distributions Percent Change Year to Year
July–September	$3,554,035,000	0.6	3,019,061,000	1.8	$3,402,481,000	5.3
October–December	3,544,330,000	1.4	2,918,940,000	1.5	3,193,320,000	−2.7
January–March	3,179,488,000	−4.8	2,864,135,000	−0.3	2,955,787,000	−5.5
April–June	3,086,342,000	−17.2	3,076,481,000	5.1	2,879,586,000	−16.6
Fiscal Year	$13,364,195,000	−5.2	11,878,617,000	2.0	$12,431,174,000	−5.1

TAX LITIGATION VII

SALES AND USE TAX

California Constitution Bars Taxpayer Action for Refund Before Full Payment

After the Board sent the taxpayer a notice of determination of sales taxes and interest due of $187,000 for several different quarters, the taxpayer sent the Board $250 and instructed the Board to apportion the partial payment to all of the transactions the Board claimed were taxable. The taxpayer later filed an action for refund of the $250 in Superior Court, while the taxpayer's petition for redetermination of the balance of $187,000 liability was still pending before the Board. After the trial court overruled the Board's demurrer and denied the motion to strike the complaint, the Board sought a writ of mandate.

The California Supreme Court granted the Board's petition for a writ of mandate. The court held that Article XIII, Section 32 of the California Constitution, which prohibits actions to prevent or enjoin the collection of any tax, barred this action for refund of a partial payment before the full amount of the disputed tax was paid. This action would require adjudication of the taxpayer's liability for each disputed quarter, since the doctrine of res judicata would bar any subsequent Board action to collect additional taxes, even though almost all the assessed taxes remain unpaid. Article XIII, Section 32 forbids this result. The court disapproved two earlier cases, *Snoozie Shavings, Inc.* v. *State Board of Equalization*, 97 Cal.App.3d 771, and *Shaffer* v. *State Board of Equalization*, 109 Cal.App.2d 574, to the extent they are inconsistent with this decision. *State Board of Equalization* v. *Superior Court (O'Hara & Kendall Aviation, Inc., Real Party in Interest)*, 39 Cal. 3d 633 (1985).

Wholesaler Did Not Resell Marketing Aids Under Board Regulation

Taxpayer, a wholesaler, sold merchandise to its retailer customers and provided free cardboard display racks to those retailers as a marketing aid for the merchandise. The taxpayer had purchased the display racks under resale certificates. The Board assessed use tax against the taxpayer on its purchase price of the display racks. Regulation 1670(c) requires that a marketing aid will be considered sold only if the supplier obtains reimbursement for the marketing aid of 50 percent or more than the purchase price; otherwise, the supplier is the consumer of the marketing aid. The trial court entered judgment in favor of the Board.

The California Supreme Court affirmed. The court held that the Board's regulation requiring evidence of consideration passing to the taxpayer for the marketing aid was not arbitrary, that the taxpayer did not satisfy the regulation's requirement of proving that a sale occurred, and that the taxpayer was liable for use tax on its purchases of the display racks. *Wallace Berrie & Co.* v. *State Board of Equalization*, 40 Cal. 3d 60 (1985).

California Constitution Does Not Prohibit Sales Tax on Sales to State Banks

Taxpayer sold tangible property to a state-chartered bank and collected sales tax reimbursement from the bank. Both taxpayer and the bank filed suits for refund of the sales taxes on the sales. The trial court entered judgment in favor of the Board.

The Court of Appeal affirmed. Although for federal purposes the legal incidence of the sales tax fell on a national bank, and therefore sales to national banks were immune from sales tax prior to 1969 federal legislation, the court held that for state purposes the legal incidence of the sales tax falls on the retailer, not the state bank, even though the economic burden is borne by the bank. The court also held that the California Constitution, Article XIII, former Section 16 (now net income tax), does not prohibit sales taxes levied on retailers' sales to state banks, even though sales to national banks were not similarly taxed. *Hibernia Bank* v. *State Board of Equalization*, 166 Cal.App.3d 393 (1985).

Imposition of Sales Tax on Religious Organization is Unconstitutional

Plaintiff, a nonprofit religious organization, conducted religious seminars and provided syllabus notebooks to seminar participants. For a period of time, plaintiff made a separate charge to participants for the notebooks, but later included the notebooks in the fee for the seminar. Plaintiff also sold religious literature unconnected with the seminars.

The Board assessed sales tax liability against plaintiff as retailer for the sales of the notebooks when a separate charge was made, and for the sales of religious literature. The Board also assessed use tax against plaintiff as consumer for the cost of the notebooks when plaintiff provided the notebooks to seminar participants without a separate charge. Plaintiff paid the taxes and filed suit for refund, and the trial court granted judgment in favor of plaintiff.

The Court of Appeal held that the state could not constitutionally impose sales tax on plaintiff's retail sales, because the sales tax is enacted as a privilege or occupation tax and cannot be imposed on constitutionally protected religious activities. However, the court held that the state may constitutionally impose the use tax on a religious organization, as a consumer, and the state may also constitutionally impose the duty on a religious organization, as a retailer, to collect the use tax from consumers. The court also affirmed the trial court's finding that plaintiff was a consumer, not a retailer, of the syllabus notebooks which it furnished to seminar participants for a separate charge. *Institute in Basic Youth Conflicts, Inc.* v. *State Board of Equalization*, 166 Cal.App.3d 1093, modified 167 Cal.App.3d 945d (1985).

VII. TAX LITIGATION

Ferry Boats Principally Used in Intrastate Transportation Are Not Tax Exempt

Taxpayer sold three ferry boats to be used for passenger service between Marin County and San Francisco. A survey determined that the ferry boats carried at least one passenger using the ferry service as a part of interstate travel on less than one percent of the voyages. The Board assessed sales tax on the sales of the ferry boats. Taxpayer sued for refund of the taxes paid, and the trial court granted summary judgment in favor of the Board.

The Court of Appeal affirmed. The court held that in order to qualify for the tax exemption provided by Revenue and Taxation Code Section 6368(a)(1), the taxpayer had the burden of showing that the ferry boats were principally used in the interstate transportation of passengers for hire. Also, the Board's long-standing administrative interpretation, extending the principal use standard to watercraft expressly described in Sales and Use Tax Regulation 1594(a)(1) (tugboats and ferry boats), was entitled to particular consideration, and refuted taxpayer's argument that a more relaxed rule applies to those watercraft. *Campbell Industries* v. *State Board of Equalization,* 167 Cal.App.3d 863 (1985).

Disposable Hospital Menus Are Not Components of Exempt Meals Served to Patients. Board Administrative Interpretations Are Entitled to Great Weight

Taxpayer sold disposable menus to hospitals, which patients filled out to order meals. The hospitals used the menus to prepare the meals ordered, then returned the menus to the patients with the meals.

Taxpayer claimed the menus were exempt from tax under Revenue and Taxation Code Section 6363.6 and Regulation 1503 as a component part of hospital meals served to patients. However, a Board tax counsel ruling (Annotation 300.0070) provided that nonreusable hospital menus do not qualify for the exemption. The trial court entered judgment in favor of the taxpayer.

The Court of Appeal held in favor of the Board. The court held that an agency's own interpretation of its regulation is entitled to great weight, and may be overturned only if it is arbitrary, capricious, or without rational basis. The court held that menus, which merely facilitate the selection of food, are rationally distinguishable from items which facilitate the sanitary service and consumption of food. *American Hospital Supply Corp.* v. *State Board of Equalization,* 169 Cal.App.3d 1088 (1985).

Catalogs Purchased For Advertising Not Exempt As Marketing Aids

Taxpayer purchased catalogs and included the catalogs in each video game system and cartridge sold to customers. The catalogs described taxpayer's other video game cartridges available for purchase. The Board assessed use tax on the purchase prices of the catalogs, and taxpayer based its claim for refund on the exemption from tax for marketing aids under Regulation 1670(c). The trial court granted judgment in favor of the Board.

The Court of Appeal affirmed. The court held that taxpayer was barred from contending the catalogs were purchased for resale when that issue was not raised in taxpayer's claim for refund. The court also held that the evidence supported the trial court's finding that the catalogs were advertisements for taxpayer's own use and benefit, and were not sold with the cartridges as marketing aids. *Atari, Inc.* v. *State Board of Equalization,* 170 Cal.App.3d 665 (1985).

Vending Machine Operator Entitled to Nonreturnable Container Exemption

Taxpayer purchased nonreturnable paper cups and used the cups to hold the drinks dispensed through its vending machines. The Board contended that the taxpayer was liable for use tax on its purchases of the cups under Revenue and Taxation Code Section 6359.4, making vending machine operators consumers of tangible property sold through the vending machines for 15¢ or less. The taxpayer contended that it was nevertheless entitled to the tax exemption provided by Revenue and Taxation Code Section 6364(a) for its purchases of nonreturnable containers which it filled and resold along with the contents, even though its sales of the contents and the containers were nontaxable sales through vending machines. The trial court entered judgment in favor of the taxpayer.

The Court of Appeal, Second District, affirmed. The court held that the two sections were not irreconcilable with each other, that the taxpayer was entitled to the nonreturnable container exemption, and that the Board's Regulation 1574, which provided that vending machine operators were consumers of nonreturnable containers dispensed through the machines, was invalid as being in conflict with the statutory nonreturnable container exemption. *Canteen Corp.* v. *State Board of Equalization,* 174 Cal.App.3d 952 (1985).

CIGARETTE TAX

Indian Tribes Must Collect Cigarette Taxes From Non-Indian Purchasers

A California Indian tribe filed an action in federal court requesting judgment that California's cigarette tax could not lawfully be applied to cigarettes sold by the tribe on its reservation to non-Indian purchasers, since the tribe was constitutionally immune from state taxation. The United States Court of Appeals, Ninth Circuit, held in favor of the tribe (757 F. 2d 1047).

The United States Supreme Court reversed. The court held that under the California statutory scheme, the legal incidence of the cigarette tax fell on the non-Indian consumers of cigarettes purchased from the tribe's smoke shops, and the state had the right to require the tribe to collect the cigarette tax on behalf of the state. *California State Board of Equalization* v. *Chemehuevi Indian Tribe,* 474 U.S.___, 88 L.Ed. 2d 9 (1985).

PROPERTY TAX

Subject to Requirements of Fairness and Uniformity, the Board May Exercise Its Discretion in Using One or More Valid Methods of Calculating Fair Market Value

In its assessment of taxpayer's private railroad cars the Board opted to reject an income approach to value and instead relied on a reproduction cost approach. The Board's decision was based on the taxpayer's organization and operation: its owners, the nation's major railroads, were also its customers for the use of railroad flatcars. The Board concluded that these circumstances would preclude the taxpayer from charging an economic rent for the use of the flatcars and that the resulting income approach would be less than market value.

The taxpayer filed a claim for refund with the Board and upon denial brought suit in the Superior Court. The trial decision upheld the Board and the taxpayer appealed. The main contention on appeal was that the Board should have used the income approach as a matter of law. It was argued that its income was regulated by the Interstate Commerce Commission, the income is comparable to what a reasonable purchaser could earn, and that selection of the cost rather than income method of valuation resulted in a violation of Board property tax rules 6 and 8.

The Court of Appeal disagreed. It reviewed the evidence at trial and concluded that although the taxpayer was subject to the Interstate Commerce Commission for inspection and reporting, it was not subject to income regulation. The court noted that taxpayer's board of directors had passed a resolution acknowledging that its rates are not designed to generate an adequate profit. It was also noted that taxpayer's rates were even less than the interchange rates charged between railroads for the temporary use of another's car. Under these circumstances the choice of a valuation method was within the discretion of the Board and that it was properly exercised within the rules. *Trailer Train Company* v. *State Board of Equalization,* 180 Cal.App.3d 565 (1986).

The Valuation Rollback Provision of Proposition 13 Presently Applies to Nonprofit Golf Courses

In accordance with the Revenue and Taxation Code, Section 52(c), the assessor valued defendant, nonprofit golf course, pursuant to Section 10 of Article XIII of the California Constitution for the 1982–83 tax year. This resulted in an assessment based on the present value of a golf course rather than the highest and best use of the property. The taxpayer objected and brought suit for declaratory relief in the Superior Court. The court decided that taxpayer's assessment should have been based on the 1975–76 tax bill as required by the rollback provision of Section 2, Article XIIIA of the Constitution and the county appealed.

The Court of Appeal accepted the county argument that Revenue and Taxation Code, Section 52(c) was intended to impact on the assessment of nonprofit golf courses. However, the court decided that this legislative enactment did not effectively preclude the taxpayer's property from the tax limitation protection provided by Article XIIIA. The court perceived no ambiguity or conflict on the subject of specially assessed real property embodied in Constitutional Section 10 or Article XIIIA. In practical effect the taxpayer would be entitled to the lower of the two assessments calculated by each provision. *Los Angeles Country Club* v. *Pope,* 175 Cal.App.3d 278 (1985).

The Validity of the Supplemental Assessment System Is Sustained

Fifty-one county assessors challenged the supplemental assessment system (Rev. & Tax. Code, §§ 75 et seq.), as well as the provisions which delayed supplemental assessments on newly constructed property held for sale (Rev. & Tax. Code, § 75.12) and excluded fixtures from supplemental assessment (former Rev. & Tax. Code, § 75.5). Holding that the supplemental assessment system did not violate Article XIIIA of the California Constitution by imposing new property taxes, the trial court concluded that the provisions relating to newly constructed property held for sale and fixtures were invalid, however.

The Court of Appeal reversed the determination regarding the delayed supplemental assessments on newly constructed property and the exclusion of fixtures from supplemental assessment. In all other respects, it affirmed the judgment.

The court held that the supplemental assessment system imposed a new timing mechanism for valuation and collection of property taxes, but does not impose new property taxes. It also held that Sections 75.5 and 75.12 are also timing provisions which fall within the discretion of the Legislature and are not invalid exemptions. *Shafer* v. *State Board of Equalization* 174 Cal.App.3d 423 (1985).

Assessors May Only Consider Governmentally Imposed Land Restrictions When Determining Fair Market Value

A written agreement to purchase unimproved property required the buyer to (1) construct a warehouse, (2) purchase spur track services from the seller's parent company, (3) obtain the seller's consent before any assignment or conveyance, and (4) grant a railway easement. The seller could repurchase the land for the price sold if conditions (1) or (2) were not satisfied.

The Assessor valued the property as a "fee simple unencumbered" without regard to the privately imposed restrictions. When the owner appealed, the Assessment Appeals Board found that the restrictions lowered the property's value and reduced the assessment accordingly. The trial court denied the Assessor's petition for a writ to cancel the reduction and the Assessor appealed.

The Court of Appeal reversed, holding that the Assessment Appeals Board unlawfully considered voluntary restrictions in valuing the property. Under Revenue and Taxation Code Section 402.1, the court held, governmentally imposed restrictions in support of public policy regarding land use are the only enforceable restrictions that may be considered. The court concluded that the Assessment Appeals Board erred when it reduced the assessment. Valua-

tion of the property without regard to the effect of the privately imposed restrictions was therefore correct. *Carlson* v. *Assessment Appeals Board I* 167 Cal.App.3d 1004 (1985).

A Leasehold Interest in Public Property Is Exempt from Property Tax if Used for Charitable Purposes

Taxpayer, a nonprofit charitable corporation, operated a nursery school for handicapped and disadvantaged children on portions of a school leased from a unified school district. The assessor disallowed its application for exemption under Revenue and Taxation Code, Section 214, because the term "property" as used therein required ownership of the fee interest. The taxpayer brought suit for refund and for a declaration that its leasehold interest was exempt. The trial court held for the taxpayer and the county appealed.

The county contended that if the term property is interpreted to include interests of less than a fee then leasehold interests in privately owned property would also be exempt. But the Court of Appeal concluded that the private owner would not be entitled to have the exempt agency's leasehold interest segregated from his reversionary fee interest for tax purposes. In that instance the private owner may be validly assessed on the entire fee. The court held that "owned" included a leasehold possessory interest which is consistent with the legislative intent behind Section 214, especially when the leased property is used exclusively for charitable purposes. *Tri-Cities Children's Center, Inc.* v. *Board of Supervisors,* 166 Cal.App.3d 589 (1985).

A Tax for the Support of City Libraries Is a Voter Approved, Prior Indebtedness Within the Meaning of Proposition 13

Taxpayer, a resident and property owner of the city, sought a refund of a tax override on behalf of himself and others similarly situated. Since 1937 a provision of the city charter required that a tax of seven cents per one hundred dollars of assessed valuation be levied for the support of the city's libraries. This tax was in addition to the one percent ad valorem tax on the full cash value of property as allowed by subdivision (a) of Section 1, Article XIIIA of the California Constitution. The taxpayer asserted that the library override was invalid because it is not a voter approved, prior indebtedness within the exemption provisions of subdivision (b) of the same section. The trial court rendered judgment to the city and the taxpayer appealed.

The California Supreme Court construed the meaning of the term "indebtedness" contained in subdivision (b) as applied to the library levy, mandated by the charter provision. It rejected the taxpayer's argument that the city cannot owe a debt to itself. The critical consideration in determining whether a city has created an indebtedness under subdivision (b) is not whether there is a formal contract between a governmental body and a distinct agency to make certain payments, but whether the voters obligated themselves prior to 1978 to make expenditures in the future for a specified purpose. The court concluded that the city charter provision represents such an obligation. *Patton* v. *City of Alameda,* 40 Cal.3d 41 (1985).

The Williamson Act One-Time Contract Cancellation Window is Held Invalid.

In the wake of the California Supreme Court Decision in *Sierra Club* v. *City of Hayward* (1981) 28 Cal.3d 840, the Legislature enacted Chapter 1095 of the Statutes of 1981 (AB 2074, Robinson), known as the Robinson Act. The act codified and explained the finding requirements necessary for the cancellation of a Williamson Act contract. In addition, the act added Section 51282.1 to the Government Code which relaxed the cancellation requirements by providing a one-time cancellation window during 1982. The only findings required by this section were that the contract cancellation and alternative use of the land would not result in "discontiguous patterns of urban development" and that the alternative use was consistent with the local government's general plan.

The First District Court of Appeal held that the one-time cancellation provisions were not effective, enforceable restrictions for land conservation purposes and that they were inconsistent with the constitutional requirement that preferentially taxed lands be enforceably restricted. Accordingly, it found Section 51282.1 of the Government Code unconstitutional. In so holding, the decision distinguishes a contrary conclusion by the Fourth District Court of Appeal in *Honey Springs Homeowners Assn.* v. *Board of Supervisors* (1984) 157 Cal.App.3d 1122, on the grounds that the statement in the latter case that the window provision is constitutional is dicta. *Lewis* v. *City of Hayward,* 177 Cal.App.3d 103 (1986).

CORPORATION FRANCHISE TAX

Foreign Shipper Exempt From Tax

A foreign shipper sued for a refund of corporation income tax assessed by the Franchise Tax Board (FTB). The imposition of tax turned on the question of whether the exemption provided in Section 24320 of the Revenue and Taxation Code is applicable to a foreign corporation exempt from federal income taxes by reason of a reciprocal tax exemption rather than a treaty or agreement.

Rejecting the FTB's contention to the contrary, the Court of Appeals held that § 833 of Title 26 of the United States Code, exempting from gross income of a foreign corporation earnings derived from the operation of a ship or ships documented under the laws of a foreign country, which grants an equivalent exemption to U.S. citizens and corporations, qualified as a "contractual obligation of a treaty nature" as used in Revenue and Taxation Code Section 24320. Therefore, the exemption provided for in Section 24320 was applicable to the taxpayer. *Pacific Coast Shipping Company* v. *Franchise Tax Board,* 167 Cal.App.3d 312 (1985).

PERSONAL INCOME TAX

Privilege Against Self-Incrimination Did Not Apply

Defendant, a self-styled tax protestor, failed to file tax returns for the years 1977–1980. He pleaded no contest to violating Revenue and Taxation Section 19401 but preserved the right to appeal on the grounds that he was excused from filing state income tax returns because of the privilege against self-incrimination contained in Article I, § 15 of the California Constitution.

The Court of Appeal affirmed, holding that defendant's conviction did not violate the privilege against self-incrimination contained in Article I, § 15, notwithstanding that returns showed he had filed false withholding exemption certificates. The privilege against self-incrimnation is not absolute, and in this case, was outweighed by the government's need for the information.

The incriminating information on the state returns was readily available to the federal government because of a federal court of appeals decision holding, on virtually identical facts, that the Fifth Amendment to the U.S. Constitution does not shield a defendant from filing a complete federal return. *People* v. *McLemore*, 166 Cal.App.3d 718 (1985).

STATISTICAL APPENDIX

CALIFORNIA STATE BOARD OF EQUALIZATION

1985-1986 ANNUAL REPORT

FISCAL YEAR
ENDED JUNE 30, 1986

BOARD MEMBERS

WILLIAM M. BENNETT
KENTFIELD
First District

CONWAY H. COLLIS
LOS ANGELES
Second District

ERNEST J. DRONENBURG, JR.
SAN DIEGO
Third District

RICHARD NEVINS
PASADENA
Fourth District

KENNETH CORY
SACRAMENTO
State Controller

•

DOUGLAS D. BELL
Executive Secretary

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For the period July 1, 1985 to June 30, 1986
(in thousands of dollars)

Function	Expenditures 1984–85	1985–86
1	2	3
Personal services	$93,542	$101,889
Operating expenses and equipment:		
General expenses	2,970	3,292
Printing	1,192	1,329
Communications	1,743	1,679
Postage	1,319	1,362
Insurance	16	27
Travel—in-state	2,062	2,009
Travel—out-of-state	1,092	1,155
Training	91	58
Facilities—operation	5,038	5,615
Utilities	59	60
Consulting & Professional Services: Interdepartmental	5,261	6,078
Consulting & Professional Services: External	—	53
Data Processing	1,901	2,114
Consolidated Data Center	11	13
Central Administrative Services	314	308
Equipment	610	592
TOTALS, Operating Expenses and Equipment	$23,679	$25,744
Totals, expenditures	$117,221	$127,633
Reimbursements	−30,335	−33,643
Special Funds	−7,397	−7,877
Net expenditures (General Fund)	$79,489	$86,113

TABLE 2—SUMMARY OF REVENUES FROM TAXES ADMINISTERED BY THE BOARD, BY FISCAL YEAR, 1975–76 TO 1985–86

(In thousands of dollars)

Revenue source	1975–76	1980–81	1984–85	1985–86
1	2	3	4	5
Local taxes on state-assessed properties [a]	$559,600	$362,505	$564,265	$614,929
Private car taxes [a]	7,753	8,301	3,377	3,081
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	737,100	787,106	1,054,864	1,083,986
Jet fuel tax	474	891	884	845
Subtotals	737,574	787,997	1,055,748	1,084,831
Use fuel tax [c]	55,852	81,635	131,214	132,515
Fees	20	34	30	35
Subtotals	55,872	81,669	131,244	132,550
Fuel total	793,446	869,666	1,186,992	1,217,381
Sales and use taxes and fees: [c]				
State taxes	3,737,838	7,131,482	9,797,612	10,317,990
City and county sales taxes	784,176	1,487,949	2,045,988	2,150,252
County transportation tax	195,014	371,864	511,905	538,201
Bay Area Rapid Transit District taxes [d]	43,309	80,588	112,547	115,333
Southern California Rapid Transit District taxes [e]	169	51	—	—
Santa Clara County Transit District taxes [f]	—	45,702	72,805	69,140
Santa Cruz Metropolitan Transit District taxes [g]	—	4,887	7,298	8,137
Los Angeles County Transportation Commission taxes [h]	—	—	289,892	313,502
San Mateo County Transit District taxes [i]	—	—	27,029	28,177
Santa Clara County Traffic Authority taxes [s]	—	—	9,678	67,461
Fees	252	409	501	574
Totals	4,760,758	9,122,932	12,875,255	13,608,767
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	20,616	27,669	29,834	29,892
Taxes on distilled spirits	104,697	115,191	105,953	102,370
Totals	125,313	142,860	135,787	132,262
Cigarette tax [c, j]	268,610	278,161	262,870	258,142
Electrical Energy Tax [t]	13,250	23,817	34,432	34,839
Emergency Telephone Users' Surcharge [m]	—	15,760	30,190	34,544
Universal Telephone Service Tax [t]	—	—	57,637	88,139
Timber Yield Tax [n]	—	17,241	13,131	12,293
Timber Reserve Fund Tax [u]	—	857	—	—
Hazardous Waste Control Tax [o]	—	—	13,030	8,252
Hazardous Substance Tax [p]	—	—	11,761	16,072
Grand totals	$6,528,730	$10,842,100	$15,188,727	$16,028,701 [k]

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $28,444,140 for 1984–85 and $29,359,676 for 1985–86, including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BARTD.

[e] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[f] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[h] This one-half of one percent tax became effective July 1, 1982, in Los Angeles County.

[i] This one-half of one percent tax became effective July 1, 1982, in San Mateo County.

[j] Includes $80,583,000 in 1975–76, $83,488,000 in 1980–81, $78,861,000 in 1984–85, and $77,443,000 in 1985–86 earmarked for cities and counties.

[k] Insurance taxes amounted to $798,215,793 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[l] This tax became effective January 1, 1975.

[m] This tax became effective July 1, 1977.

[n] This tax became effective April 1, 1977, but no revenue was due until 1977–78.

[o] Administration of this tax was transferred to the Board from the Department of Health Services in fiscal year 1981–82.

[p] This tax was first levied in 1981–82 on hazardous waste generated in calendar year 1981.

[s] This one-half of one percent tax became effective April 1, 1985 in Santa Clara County.

[t] This tax became effective July 1, 1984.

[u] This tax was effective from April 1, 1977 through December 31, 1982.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1984–85 and 1985–86
(In thousands of dollars)

Programs	Board expenditures [a]		Non-board expenditures [b]		Total costs	
	1984–85	1985–86	1984–85	1985–86	1984–85	1985–86
1	2	3	4	5	6	7
County assessment standards	4,589	4,892	314	215	4,903	5,107
State-assessed property [c]	4,230	4,691	248	285	4,478	4,976
Timber tax	1,814	1,861	—	—	1,814	1,861
Sales and use tax	97,592	105,567	3,891	4,512	101,483	110,079
Hazardous substances tax	290	1,337	9	49	299	1,386
Alcoholic beverage tax	894	793	29	28	923	821
Cigarette tax	1,712	1,950	61	73	1,773	2,023
Motor vehicle fuel license tax [d]	598	656	—	—	598	656
Use fuel tax	3,498	3,734	—	—	3,498	3,734
Electrical energy tax	70	73	—	—	70	73
Emergency telephone users' surcharge	89	96	—	—	89	96
Insurance tax	89	119	65	81	154	200
Universal telephone service tax	72	105	—	—	72	105
Appeals from other governmental programs	1,281	1,432	44	53	1,325	1,505
Administration and support						
Distributed to other programs [e]	(9,867)	(11,478)	—	—	(9,867)	(11,478)
Non-board programs (reimbursable)	403	307	—	—	403	307
Totals, programs	117,221	127,633	4,661	5,296	121,882	132,929
Reimbursements	−30,335	−33,643	—	—	−30,335	−33,643
Special Funds	−7,397	−7,877	—	—	−7,397	−7,877
Net totals, programs	79,489	86,113	4,661	5,296	84,150	91,409

[a] Format conforms to Program Budget presentation.
[b] Includes a portion of the cost of operating central agencies that perform services for the Board, such as offices of the Attorney General, the State Controller, and the State Personnel Board.
[c] Includes the cost of assessing and collecting the private car tax.
[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.
[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1984–85 AND 1985–86 [a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1984–85	1985–86	1984–85	1985–86	1984–85	1985–86
1	2	3	4	5	6	7
Local taxes on state-assessed property	$567,642	$618,010	.75	.76	.79	.81
Timber tax	13,131	12,293	13.81	15.14	13.81	15.14
Sales and use tax	12,875,255	13,608,767	.76	.78	.79	.81
Hazardous substance tax	24,791	24,324	1.17	5.50	1.21	5.70
Alcoholic beverage tax	135,787	132,262	.66	.60	.68	.62
Cigarette tax	262,870	258,142	.65	.76	.67	.78
Motor vehicle fuel taxes [b]	1,186,992	1,217,381	.35	.36	.35	.36
Electrical energy tax	34,432	34,839	.20	.21	.20	.21
Emergency telephone users' surcharge	30,190	34,544	.29	.28	.29	.28
Universal telephone service tax	57,637	88,139	.12	.12	.12	.12
Totals and ratios	$15,188,727	$16,028,701	.73	.75	.76	.78

[a] Format conforms to Program Budget presentation.
[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, ASSESSMENT RATIOS AND AVERAGE TAX RATES, 1976–77 to 1986–87 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1976–77	1977–78	1978–79	1979–80	1980–81	1981–82 [f]	1982–83	1983–84	1984–85	1985–86	1986–87
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	32,233	36,245	37,137	43,335	52,199	238,486	263,447	282,952	312,655	343,274	368,080
Improvements	46,476	54,149	58,316	68,106	79,430	359,878	404,347	437,334	480,170	527,145	581,496
Totals	78,709	90,394	95,453	111,441	131,629	598,364	667,794	720,286	792,825	870,419	949,576
Tangible personal property	11,816	12,531	14,481	16,834	8,430	38,404	43,945	46,661	52,282	60,893	66,514
Gross tangible property totals	90,525	102,925	109,934 [d]	128,275	140,059	636,768	711,739	766,947	845,108	931,312	1,016,090
Exemptions:											
Homeowners' exemption	6,552	6,787	6,938	7,006	7,169	29,138	29,421	29,563	29,801	30,209	30,691
Business inventory exemption	3,454	3,606	4,203	4,997	[e]	[e]	[e]	[e]	[e]	[e]	[e]
All other exemptions [b]	2,388	2,696	2,806	2,895	3,184	14,553	15,460	16,794	18,583	19,416	21,395
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	88,137	100,229	107,130 [d]	125,380	136,874	622,215	696,279	750,154	826,524	911,896	994,695
Net of all exemptions	78,131	89,836	95,987 [d]	113,377	129,706	593,077	666,858	720,590	796,723	881,687	964,004
State Board of Equalization:											
Land	430	423	460	487	547	2,895	3,390	3,905	4,900	5,248	5,894
Improvements	2,893	3,431	6,001	6,546	6,911	30,430	34,896	40,632	44,724	48,716	54,991
Totals	3,323	3,854	6,461	7,033	7,458	33,325	38,286	44,537	49,624	53,964	60,884
Tangible personal property	2,257	2,611	461	408	407	2,387	2,546	2,680	2,591	2,760	3,107
Gross tangible property totals	5,580	6,465	6,922	7,441	7,865	35,712	40,833	47,217	52,214	56,724	63,992
Business inventory exemptions	23	37	48	51	[e]	[e]	[e]	[e]	[e]	[e]	[e]
Net tangible property totals	5,557	6,428	6,874	7,390	7,865	35,712	40,833	47,217	52,214	56,724	63,992
Totals all property:											
Land	32,663	36,668	37,598	43,822	52,746	241,381	266,837	286,857	317,556	348,522	373,973
Improvements	49,369	57,580	64,317	74,652	86,341	390,308	439,243	477,966	524,894	575,861	636,487
Totals	82,032	94,248	101,915	118,474	139,087	631,689	706,080	764,823	842,449	924,383	1,010,460
Tangible personal property	14,073	15,143	14,943	17,242	8,837	40,792	46,491	49,341	54,873	63,653	69,622
Gross tangible property totals	96,105	109,391	116,858 [d]	135,715	147,924	672,481	752,572	814,164	897,322	988,036	1,080,082
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	93,717	106,694	114,052 [d]	132,821	144,739	657,928	737,112	797,370	878,739	968,620	1,058,687
Net of all exemptions	83,687	96,264	102,862 [d]	120,767	137,570	628,789	707,691	767,807	848,937	938,412	1,027,995
Ratios of assessed to full value of locally assessed property (percent)	25.1	23.0	—	—	—	—	—	—	—	—	—
Statewide average tax rates (per $100 assessed valuation)	$11.19	$10.68	$4.79	$4.69	$4.63	$1.144	$1.131	$1.126	$1.113	$1.096	—

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, religious properties, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals in millions of dollars:

	County assessors	Totals all property
Gross tangible property totals	$112,620	$119,542
Net tangible property totals		
Net of "all other exemptions"	109,815	116,737
Net of all exemptions	98,673	105,547

[e] Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82.

NOTE: Detail may not add to total because of rounding.

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1986–87 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$16,521,987	$25,805,798	$3,269,835	$1,009,496	$44,588,124	11.8
Alpine	57,385	81,433	6,118	319	144,617	6.5
Amador	369,580	730,156	61,303	7,573	1,153,466	10.0
Butte	1,695,017	3,358,329	293,152	115,074	5,231,424	5.9
Calaveras	519,209	811,802	54,258	8,456	1,376,813	9.8
Colusa	606,134	408,903	96,517	10,099	1,101,455	−5.2
Contra Costa	11,238,381	23,641,312	1,595,161	491,083	35,983,771	11.0
Del Norte	174,350	289,251	36,649	14,247	486,003	0.9
El Dorado	1,558,982	3,373,617	138,513	57,275	5,013,837	7.8
Fresno	6,148,344	12,564,101	1,457,155	380,763	19,788,837	5.2
Glenn	449,995	525,155	110,431	9,208	1,076,373	−3.7
Humboldt	1,103,342	2,166,288	251,429	71,161	3,449,898	8.2
Imperial	1,247,988	1,580,841	263,797	26,842	3,065,784	14.9
Inyo	655,753	385,889	43,542	16,298	1,068,886	2.0
Kern	16,652,856	12,815,441	1,325,730	297,249	30,496,778	−4.7
Kings	723,567	1,470,850	220,306	48,236	2,366,487	−4.0
Lake	1,242,261	1,282,446	72,151	20,258	2,576,600	−10.3
Lassen	299,397	432,791	48,347	8,589	771,946	3.9
Los Angeles	106,857,698	169,016,730	18,755,250	6,444,627	288,185,051	8.6
Madera	940,103	1,888,662	186,940	30,346	2,985,359	5.1
Marin	4,223,513	7,939,489	400,119	240,047	12,323,074	8.8
Mariposa	260,149	319,857	28,758	4,965	603,799	−11.1
Mendocino	1,032,269	1,565,250	140,554	53,692	2,684,381	5.4
Merced	1,585,042	2,908,503	267,257	64,689	4,696,113	4.4
Modoc	271,250	195,633	31,009	2,833	495,059	0.3
Mono	406,671	744,399	47,957	6,759	1,192,268	2.6
Monterey	4,289,562	7,564,322	568,548	242,058	12,180,374	9.3
Napa	1,558,737	2,881,840	216,087	163,430	4,493,234	9.1
Nevada	1,150,468	1,976,203	96,542	26,120	3,197,093	9.4
Orange	42,089,463	56,100,769	7,245,851	1,340,329	104,095,754	10.3
Placer	2,247,598	4,538,677	335,977	87,130	7,005,122	9.2
Plumas	390,556	940,438	27,899	6,780	1,352,113	6.1
Riverside	11,630,534	21,801,308	1,017,812	548,418	33,901,236	13.5
Sacramento	7,681,274	19,952,687	1,493,468	638,354	28,489,075	11.5
San Benito	452,643	650,859	79,436	7,652	1,175,286	12.3
San Bernardino	9,400,147	25,776,089	1,731,529	864,087	36,043,678	13.1
San Diego	31,187,727	49,745,320	4,451,028	1,515,311	83,868,764	12.7
San Francisco	11,520,351	23,974,128	2,073,048	1,128,424	36,439,103	11.9
San Joaquin	3,891,798	8,491,924	1,051,798	385,013	13,050,507	6.7
San Luis Obispo	2,991,663	7,218,877	508,090	51,083	10,667,547	15.2
San Mateo	10,424,424	19,823,952	3,192,253	871,229	32,569,400	10.2
Santa Barbara	5,840,415	8,522,408	916,339	339,849	14,939,313	8.4
Santa Clara	20,067,909	41,966,143	10,177,953	2,207,941	70,004,064	11.4
Santa Cruz	3,097,126	4,887,699	481,838	189,316	8,277,347	10.5
Shasta	1,356,394	3,243,848	236,435	94,047	4,742,630	6.8
Sierra	111,155	106,255	7,057	2,941	221,526	10.2
Siskiyou	392,480	882,761	97,810	22,222	1,550,829	4.6
Solano	2,541,136	5,611,067	641,371	94,815	8,689,759	8.3
Sonoma	5,402,125	9,078,629	688,495	198,762	14,970,487	6.2
Stanislaus	2,642,993	6,412,026	506,564	200,285	9,361,298	7.6
Sutter	949,640	1,171,845	145,888	31,024	2,236,349	0.8
Tehama	500,055	937,014	71,564	30,946	1,477,687	4.8
Trinity	202,489	246,340	30,216	2,611	476,434	3.2
Tulare	2,042,969	5,003,679	448,510	104,989	7,390,169	6.4
Tuolumne	595,471	1,088,084	109,372	26,205	1,766,722	11.0
Ventura	8,567,759	15,806,016	1,441,140	453,613	25,361,302	9.0
Yolo	1,268,416	2,864,425	222,051	54,882	4,300,010	7.8
Yuba	445,485	948,223	107,441	25,026	1,476,123	15.1
Totals	$373,973,185	$636,486,781	$69,621,648	$21,395,076	$1,058,686,538	9.3

[a] The value of the homeowners' exemption, $30,691,272,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $439,754,000 and are subject to exclusive state taxation.

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1986–87

(In thousands of dollars)

County	Land	Improvements	Personal property [a]	Total	Percent change year to year
1	2	3	4	5	6
Alameda	$181,574	$1,916,289	$241,943	$2,339,806	13.1
Alpine	3,571	9,769	4	13,344	−17.3
Amador	8,770	177,817	6,045	192,632	6.7
Butte	20,832	494,664	5,853	521,349	9.2
Calaveras	3,635	100,206	1,447	105,288	6.6
Colusa	1,539	81,740	1,106	84,385	9.7
Contra Costa	222,310	2,078,806	209,190	2,510,306	14.6
Del Norte	484	21,876	597	22,957	−0.6
El Dorado	6,776	245,320	5,287	257,383	7.2
Fresno	107,854	2,223,502	32,951	2,364,307	10.5
Glenn	2,380	91,862	447	94,689	7.9
Humboldt	11,362	238,600	8,318	258,280	5.8
Imperial	17,755	274,158	3,094	295,007	22.3
Inyo	9,930	78,503	1,467	89,900	7.1
Kern	81,580	1,296,566	36,127	1,414,273	12.8
Kings	8,902	192,841	2,188	203,931	7.9
Lake	6,980	201,068	2,055	210,103	16.7
Lassen	5,728	74,294	3,933	83,955	−0.2
Los Angeles	2,133,439	10,830,727	558,803	13,522,969	12.5
Madera	45,149	326,962	4,388	376,499	11.5
Marin	38,217	384,549	6,705	429,471	10.4
Mariposa	10,757	82,529	668	93,954	−54.2
Mendocino	7,873	168,619	2,549	179,041	5.7
Merced	22,417	302,532	23,200	348,149	9.1
Modoc	2,645	53,373	3,692	59,710	7.1
Mono	5,152	56,438	214	61,804	9.2
Monterey	36,665	913,480	51,814	1,001,959	8.6
Napa	6,637	167,490	3,084	177,211	7.6
Nevada	27,208	185,692	1,752	214,652	15.0
Orange	453,720	2,945,526	201,368	3,600,614	10.9
Placer	57,357	389,324	14,049	460,730	7.1
Plumas	38,959	434,013	4,037	477,009	9.6
Riverside	89,902	1,662,597	43,620	1,796,119	16.6
Sacramento	111,008	1,310,378	81,206	1,502,592	12.9
San Benito	3,859	89,751	500	94,110	8.6
San Bernardino	260,700	2,961,356	158,465	3,380,521	15.2
San Diego	269,388	6,483,000	552,911	7,305,299	16.4
San Francisco	338,886	1,887,088	276,566	2,502,540	11.3
San Joaquin	196,948	801,017	33,209	1,031,174	10.4
San Luis Obispo	59,266	3,492,511	200,024	3,751,801	16.8
San Mateo	141,411	963,480	74,812	1,179,703	11.7
Santa Barbara	141,844	516,663	12,049	670,556	11.4
Santa Clara	242,002	1,947,682	53,879	2,243,563	13.9
Santa Cruz	15,085	250,668	2,945	268,698	6.6
Shasta	42,233	813,764	10,898	866,895	11.3
Sierra	16,687	19,479	103	36,269	66.4
Siskiyou	17,876	137,356	9,468	164,700	11.2
Solano	30,756	454,159	11,757	496,672	9.3
Sonoma	23,725	1,005,992	15,850	1,045,567	13.8
Stanislaus	42,325	364,427	6,651	413,403	4.5
Sutter	5,806	139,145	1,843	146,794	9.9
Tehama	4,569	170,566	2,381	177,516	10.5
Trinity	1,160	42,906	431	44,497	7.9
Tulare	30,488	557,814	7,953	596,255	11.8
Tuolumne	5,135	128,763	2,872	136,770	9.0
Ventura	173,937	1,258,510	90,554	1,523,001	10.7
Yolo	29,966	238,951	11,080	279,997	11.2
Yuba	10,418	253,665	6,838	270,921	122.6
Totals	$5,893,537	$54,990,823	$3,107,240	$63,991,600	12.8

[a] Excludes railroad cars operated by private car companies, which were assessed at $439,754,000 and are subject to exclusive state taxation.

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1986–87 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$16,340,413	$23,889,509	$3,027,892	$1,009,496	$42,248,318	11.7
Alpine	53,814	71,664	6,114	319	131,273	9.7
Amador	360,810	552,339	55,258	7,573	960,834	10.7
Butte	1,674,185	2,863,665	287,299	115,074	4,710,075	5.6
Calaveras	515,574	711,596	52,811	8,456	1,271,525	10.1
Colusa	604,595	327,163	95,411	10,099	1,017,070	−6.2
Contra Costa	11,016,071	21,562,506	1,385,971	491,083	33,473,465	10.7
Del Norte	173,866	267,375	36,052	14,247	463,046	1.0
El Dorado	1,552,206	3,128,297	133,226	57,275	4,756,454	7.8
Fresno	6,040,490	10,340,599	1,424,204	380,763	17,424,530	4.5
Glenn	447,615	433,293	109,984	[illegible]	981,684	−4.7
Humboldt	1,091,980	1,927,688	243,111	[illegible]	3,191,618	8.4
Imperial	1,230,233	1,306,683	260,703	26,842	2,770,777	14.2
Inyo	645,823	307,386	42,075	16,298	978,986	1.6
Kern	16,571,276	11,518,875	1,289,603	297,249	29,082,505	−5.4
Kings	714,665	1,278,009	218,118	48,236	2,162,556	−5.0
Lake	1,235,281	1,081,378	70,096	20,258	2,366,497	−12.1
Lassen	293,669	358,497	44,414	8,589	687,991	4.5
Los Angeles	104,724,259	158,186,003	18,196,447	6,444,627	274,662,082	8.4
Madera	894,954	1,561,700	182,552	30,346	2,608,860	4.2
Marin	4,185,296	7,554,940	393,414	240,047	11,893,603	8.8
Mariposa	249,392	237,328	28,090	4,965	509,845	7.6
Mendocino	1,024,396	1,396,631	138,005	53,692	2,505,340	5.4
Merced	1,562,625	2,605,971	244,057	64,689	4,347,964	4.1
Modoc	268,605	142,260	27,317	2,833	435,349	−0.6
Mono	401,519	687,961	47,743	6,759	1,130,464	2.3
Monterey	4,252,897	6,650,842	516,734	242,058	11,178,415	9.4
Napa	1,352,100	2,714,350	213,003	163,430	4,316,023	9.1
Nevada	1,123,260	1,790,511	94,790	26,120	2,982,441	9.0
Orange	41,635,743	53,135,243	7,044,483	1,340,329	100,495,140	10.2
Placer	2,190,241	4,119,353	321,928	87,130	6,544,392	9.4
Plumas	351,397	506,425	23,862	6,780	875,104	4.3
Riverside	11,540,632	20,138,711	974,192	548,418	32,105,117	13.4
Sacramento	7,570,266	18,642,309	1,412,262	638,354	26,986,483	11.5
San Benito	448,784	561,108	78,936	7,652	1,081,176	12.7
San Bernardino	9,139,447	22,814,733	1,573,064	864,087	32,663,157	12.9
San Diego	30,918,339	43,262,320	3,898,117	1,515,311	76,563,465	12.4
San Francisco	11,181,465	22,087,040	1,796,482	1,128,424	33,936,563	12.0
San Joaquin	3,694,850	7,690,907	1,018,589	385,013	12,019,333	6.4
San Luis Obispo	2,932,397	3,726,366	308,066	51,083	6,915,746	14.3
San Mateo	10,283,013	18,860,472	3,117,441	871,229	31,389,697	10.1
Santa Barbara	5,698,371	8,005,745	904,290	339,849	14,268,757	8.2
Santa Clara	19,825,907	40,018,461	10,124,074	2,207,941	67,760,501	11.3
Santa Cruz	3,082,041	4,637,031	478,893	189,316	8,008,649	10.6
Shasta	1,314,161	2,430,084	225,537	94,047	3,875,735	5.8
Sierra	94,468	86,776	6,954	2,941	185,257	3.4
Siskiyou	574,604	745,405	88,342	22,222	1,386,129	3.9
Solano	2,511,380	5,156,908	629,614	94,815	8,203,087	8.3
Sonoma	5,378,400	8,072,637	672,643	198,762	13,924,920	5.6
Stanislaus	2,600,668	6,047,599	499,913	200,285	8,947,895	7.8
Sutter	943,834	1,032,700	144,045	31,024	2,089,555	0.2
Tehama	495,486	766,448	69,183	30,946	1,300,171	4.0
Trinity	201,329	203,434	29,785	2,611	431,937	2.7
Tulare	2,012,481	4,445,865	440,557	104,989	6,793,914	6.0
Tuolumne	390,336	959,321	106,500	26,205	1,629,952	11.2
Ventura	8,393,822	14,547,506	1,350,586	453,613	23,838,301	8.9
Yolo	1,238,450	2,625,474	210,971	54,882	4,020,013	7.6
Yuba	435,067	694,558	100,603	25,026	1,205,202	3.8
Totals	$368,079,648	$581,495,958	$66,514,408	$21,395,076	$994,694,938	9.1

[a] The value of the homeowners' exemption, $30,691,272,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1986–87

(Assessed values in thousands of dollars)

County	Number of Veterans' exemptions [a]	Exempt value			
		Veterans' [a]	College	Church	Religious
1	2	3	4	5	6
Alameda	262	$13,173	$40,620	$9,167	$142,892
Alpine	1	54	—	38	—
Amador	19	769	—	142	2,982
Butte [b]	128	5,434	—	1,200	35,797
Calaveras	21	826	—	—	5,749
Colusa	12	203	—	3,047	—
Contra Costa	219	11,616	43,063	2,236	137,064
Del Norte [b]	24	556	—	40	4,741
El Dorado	78	4,918	—	459	15,146
Fresno [b]	205	7,357	9,654	26,169	83,045
Glenn	14	366	—	52	6,874
Humboldt [b]	60	2,122	—	3,543	15,753
Imperial	64	437	—	244	20,147
Inyo	11	195	4,577	5,630	669
Kern	191	3,502	—	121,924	—
Kings	33	961	—	2,733	13,699
Lake	70	1,780	—	113	7,762
Lassen	36	846	—	—	4,976
Los Angeles [b]	1,370	60,115	1,143,406	82,581	1,165,460
Madera	43	1,210	—	—	15,054
Marin	82	5,312	43,789	16,067	24,429
Mariposa	23	1,021	15	434	1,961
Mendocino [b]	33	1,377	898	665	8,597
Merced	133	4,876	—	5,574	27,125
Modoc	17	176	—	8	1,429
Mono [b]	—	—	—	755	2,125
Monterey	243	12,830	3,759	10,241	38,140
Napa [b]	43	2,229	28,436	5,021	21,118
Nevada [b]	70	3,246	—	308	9,616
Orange [b]	575	32,642	64,494	16,613	315,389
Placer	85	4,724	—	3,268	23,053
Plumas	17	924	—	387	4,557
Riverside [b]	458	22,369	31,073	1,239	134,068
Sacramento [b]	521	25,071	9,951	77,720	123,977
San Benito [b]	6	488	—	221	3,980
San Bernardino [b]	593	21,419	80,889	55,617	140,933
San Diego	1,350	71,995	104,112	29,557	255,919
San Francisco	106	5,068	114,795	38,391	125,212
San Joaquin	123	5,628	94,211	2,254	94,948
San Luis Obispo	71	3,155	5	6,072	28,897
San Mateo	165	9,872	248,313	12,411	95,285
Santa Barbara	148	8,194	21,686	8,160	66,560
Santa Clara	325	18,258	1,245,828	75,295	155,115
Santa Cruz	68	3,558	4,822	30,928	—
Shasta [b]	96	4,024	637	477	34,593
Sierra	7	75	—	—	1,268
Siskiyou	66	930	—	—	8,404
Solano [b]	320	14,551	597	4,299	24,631
Sonoma [b]	172	9,465	—	8,552	39,170
Stanislaus	95	3,564	48	13,899	75,947
Sutter	32	1,812	—	384	15,117
Tehama [b]	33	1,047	—	—	9,524
Trinity	12	168	—	42	1,727
Tulare [b]	89	2,617	117	10,663	53,388
Tuolumne	32	1,626	4	1,769	7,977
Ventura	190	10,757	40,633	20,773	94,761
Yolo [b]	47	2,185	—	1,432	16,341
Yuba [b]	52	1,520	—	198	9,776
Totals	9,379	$435,213	$3,380,432	$719,012	$3,772,865

[a] Disabled veterans included in these figures numbered 8,147 with an exempt value of $431,492,000. Comparable figures for 1985–86 were 8,077 and $408,423,000.

[b] An additional exemption enacted by the Legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $2,000. Seven counties adopted ordinances and exempted the following amounts on the 1986 rolls: Fresno, $420,000; Humboldt, $1,041,000; Mendocino, $699,000; Napa, $247,000; Sonoma, $4,573,000; Tehama, $377,000; and Yuba, $609,000. An additional 14 counties: Butte, Del Norte, Los Angeles, Mono, Nevada, Orange, Riverside, Sacramento, San Benito, San Bernardino, Shasta, Solano, Tulare and Yuba have adopted ordinances and exempt low value properties by assigning them a taxable value of zero.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1986–87—Concluded

(Assessed values in thousands of dollars)

County	Exempt value				Total exempt value as percent of tax base[e]
		Welfare			
	Schools below college grade	Hospitals	Other charitable properties[c]	Total[d]	
7	8	9	10	11	12
Alameda	—	$359,905	$443,739	$1,009,496	2.3
Alpine	—	—	227	319	0.2
Amador	—	—	3,680	7,573	0.7
Butte	—	56,901	15,743	115,075	2.2
Calaveras	—	—	1,831	8,406	0.6
Colusa	$228	6,620	—	10,088	0.9
Contra Costa	38,818	174,611	83,675	491,083	1.4
Del Norte	360	5,712	2,785	14,194	2.9
El Dorado	1,230	17,229	18,294	57,276	1.1
Fresno	25,740	114,560	113,818	380,763	1.9
Glenn	258	—	1,651	9,201	0.9
Humboldt	6,283	19,331	23,088	71,161	2.1
Imperial	1,918	—	4,216	26,962	0.9
Inyo	837	—	4,391	16,299	1.5
Kern	12,747	124,972	29,543	292,688	1.0
Kings	3,911	17,749	9,183	48,236	2.0
Lake	173	5,796	4,633	20,257	0.8
Lassen	1,962	805	—	8,589	1.1
Los Angeles	292,433	2,135,781	1,564,933	6,444,709	2.2
Madera	507	10,612	2,963	30,346	1.0
Marin	35,368	26,382	88,683	240,030	1.9
Mariposa	—	—	1,381	4,812	0.8
Mendocino	3,842	12,537	25,088	53,693	2.0
Merced	2,318	14,462	9,869	64,225	1.4
Modoc	—	1,065	159	2,867	0.6
Mono	—	3,849	199	6,928	0.6
Monterey	14,748	54,543	107,798	242,059	2.0
Napa	11,803	74,190	20,387	163,431	3.6
Nevada	1,883	8,282	2,784	26,119	0.8
Orange	77,957	454,762	378,473	1,340,330	1.3
Placer	2,990	18,676	34,420	87,131	1.2
Plumas	—	—	866	6,734	0.5
Riverside	6,257	139,980	210,883	545,867	1.6
Sacramento	20,374	235,676	120,278	633,047	2.2
San Benito	1,349	—	1,614	7,652	0.7
San Bernardino	8,769	368,926	187,460	864,013	2.4
San Diego	79,681	384,455	589,656	1,515,375	1.8
San Francisco	4,103	324,738	516,116	1,128,423	3.1
San Joaquin	10,460	116,210	61,303	385,014	3.0
San Luis Obispo	5,924	—	7,030	51,083	0.5
San Mateo	82,554	234,086	187,983	870,504	2.7
Santa Barbara	39,129	80,036	116,071	339,836	2.3
Santa Clara	70,343	333,833	309,053	2,207,725	3.2
Santa Cruz	15,784	67,249	66,974	189,315	2.3
Shasta	2,691	24,854	26,313	93,589	2.0
Sierra	—	—	1,574	2,917	1.3
Siskiyou	—	7,753	5,134	22,221	1.4
Solano	16,156	24,618	9,240	94,092	1.1
Sonoma	16,283	49,095	71,657	198,795	1.3
Stanislaus	12,307	33,926	58,093	197,784	2.1
Sutter	3,182	7,682	2,100	30,277	1.4
Tehama	1,649	476	6,325	19,398	1.3
Trinity	418	—	257	2,612	0.5
Tulare	1,125	5,179	32,086	105,175	1.4
Tuolumne	1,107	9,037	4,683	26,203	1.5
Ventura	28,228	113,304	145,158	453,614	1.8
Yolo	4,894	19,889	10,139	54,880	1.3
Yuba	—	—	12,922	25,025	1.7
Totals	$971,081	$6,320,335	$5,758,602	$21,365,496	2.0

[c] General welfare agencies, youth service agencies and religious properties other than churches.

[d] Includes all enrolled exemptions except those arising from the homeowners' exemption law.

[e] The tax base includes the values of the homeowners' exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1986–87 [a]

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$45,597,620	215,145	$1,499,548	$1,009,496	$2,509,044	$43,088,576
Alpine	144,936	177	1,238	319	1,557	143,379
Amador	1,161,039	5,355	37,458	7,573	45,031	1,116,008
Butte	5,346,498	33,781	236,453	115,074	351,527	4,994,971
Calaveras	1,385,269	6,359	44,507	8,456	52,963	1,332,306
Colusa	1,111,554	2,953	20,530	10,099	30,629	1,080,925
Contra Costa	36,474,854	162,905	1,139,609	491,083	1,630,692	34,844,162
Del Norte	500,250	3,744	25,897	14,247	40,144	460,106
El Dorado	5,071,112	21,543	150,477	57,275	207,752	4,863,360
Fresno	20,169,600	90,423	632,224	380,763	1,012,987	19,156,613
Glenn	1,085,581	4,410	30,824	9,208	40,032	1,045,549
Humboldt	3,521,059	21,741	152,104	71,161	223,265	3,297,794
Imperial	3,092,626	14,150	97,767	26,842	124,609	2,968,017
Inyo	1,085,184	3,078	21,239	16,298	37,537	1,047,647
Kern	30,794,027	78,402	548,804	297,249	846,053	29,947,974
Kings	2,414,723	12,688	88,045	48,236	136,281	2,278,442
Lake	2,596,858	11,097	77,214	20,258	97,472	2,499,386
Lassen	780,535	4,578	31,757	8,589	40,346	740,189
Los Angeles	294,629,678	1,160,823	8,119,453	6,444,627	14,564,080	280,065,598
Madera	3,015,705	12,981	90,544	30,346	120,890	2,894,815
Marin	12,563,121	49,222	344,519	240,047	584,566	11,978,555
Mariposa	608,764	2,763	19,292	4,965	24,257	584,507
Mendocino	2,738,073	13,875	97,122	53,692	150,814	2,587,259
Merced	4,760,802	23,033	160,903	64,689	225,592	4,535,210
Modoc	497,892	2,365	16,335	2,833	19,168	478,724
Mono	1,199,027	1,233	8,577	6,759	15,336	1,183,691
Monterey	12,422,432	44,308	310,114	242,058	552,172	11,870,260
Napa	4,656,664	20,101	140,536	163,430	303,966	4,352,698
Nevada	3,223,213	15,275	106,735	26,120	132,855	3,090,358
Orange	105,436,083	382,003	2,671,992	1,340,329	4,012,321	101,423,762
Placer	7,092,252	30,804	215,503	87,130	302,633	6,789,619
Plumas	1,358,893	4,437	30,979	6,780	37,759	1,321,134
Riverside	34,449,654	148,968	1,042,086	548,418	1,590,504	32,859,150
Sacramento	29,127,429	173,330	1,213,109	638,354	1,851,463	27,275,966
San Benito	1,182,938	4,869	34,068	7,652	41,720	1,141,218
San Bernardino	36,907,765	187,889	1,310,048	864,087	2,174,135	34,733,630
San Diego	85,384,075	337,513	2,362,318	1,515,311	3,877,629	81,506,446
San Francisco	37,567,527	96,975	678,295	1,128,424	1,806,719	35,760,808
San Joaquin	13,435,520	70,398	492,361	385,013	877,374	12,558,146
San Luis Obispo	10,718,630	31,482	220,357	51,083	271,440	10,447,190
San Mateo	33,440,629	128,288	897,992	871,229	1,769,221	31,671,408
Santa Barbara	15,279,162	54,055	378,362	339,849	718,211	14,560,951
Santa Clara	72,212,005	248,649	1,740,031	2,207,941	3,947,972	68,264,033
Santa Cruz	8,466,663	34,852	243,961	189,316	433,277	8,033,386
Shasta	4,836,677	25,997	181,960	94,047	276,007	4,560,670
Sierra	224,467	801	5,571	2,941	8,512	215,955
Siskiyou	1,573,051	9,944	69,059	22,222	91,281	1,481,770
Solano	8,794,574	49,549	346,776	94,815	441,591	8,352,983
Sonoma	15,169,249	64,422	450,915	198,762	649,677	14,519,572
Stanislaus	9,561,583	54,038	378,018	200,285	578,303	8,983,280
Sutter	2,267,373	10,702	74,847	31,024	105,871	2,161,502
Tehama	1,508,633	10,047	69,898	30,946	100,834	1,407,799
Trinity	479,045	2,857	19,911	2,611	22,522	456,523
Tulare	7,495,158	45,171	314,866	104,989	419,855	7,075,303
Tuolumne	1,792,927	8,641	60,386	26,205	86,591	1,706,336
Ventura	25,814,915	106,285	741,647	453,613	1,195,260	24,619,655
Yolo	4,354,892	19,870	138,890	54,882	193,772	4,161,120
Yuba	1,501,149	8,224	57,251	25,026	82,277	1,418,872
Totals	$1,080,081,614	4,389,568	$30,691,272	$21,395,076	$52,086,348	$1,027,995,266

[a] Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980-81 property tax rolls and are not enrolled.

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1986–87

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$2,339,806	$37,980,756	$40,320,562	$4,267,562	$44,588,124
Alpine	13,344	106,721	120,065	24,552	144,617
Amador	192,632	917,787	1,110,419	43,047	1,153,466
Butte	521,349	4,477,607	4,998,956	232,468	5,231,424
Calaveras	105,288	1,230,834	1,336,122	40,691	1,376,813
Colusa	84,385	959,016	1,043,401	58,054	1,101,455
Contra Costa	2,510,306	31,772,535	34,282,841	1,700,930	35,983,771
Del Norte	22,957	434,666	457,623	28,380	486,003
El Dorado	257,383	4,606,471	4,863,854	149,983	5,013,837
Fresno	2,364,307	16,328,739	18,693,046	1,095,791	19,788,837
Glenn	94,689	933,040	1,027,729	48,644	1,076,373
Humboldt	258,280	2,933,026	3,191,306	258,592	3,449,898
Imperial	295,007	2,403,592	2,698,599	367,185	3,065,784
Inyo	89,900	938,112	1,028,012	40,874	1,068,886
Kern	1,414,273	27,373,459	28,787,732	1,709,046	30,496,778
Kings	203,931	2,047,521	2,251,452	115,035	2,366,487
Lake	210,103	2,120,996	2,331,099	245,501	2,576,600
Lassen	83,955	655,449	739,404	32,542	771,946
Los Angeles	13,522,969	254,830,501	268,353,470	19,831,581	288,185,051
Madera	376,499	2,494,807	2,871,306	114,053	2,985,359
Marin	429,471	11,295,122	11,724,593	598,481	12,323,074
Mariposa	93,954	454,206	548,160	55,639	603,799
Mendocino	179,041	2,375,057	2,554,098	130,283	2,684,381
Merced	348,149	4,124,626	4,472,775	223,338	4,696,113
Modoc	59,710	418,940	478,650	16,409	495,059
Mono	61,804	1,023,590	1,085,394	106,874	1,192,268
Monterey	1,001,959	10,496,978	11,498,937	681,437	12,180,374
Napa	177,211	4,173,420	4,350,631	142,603	4,493,234
Nevada	214,652	2,856,935	3,071,587	125,506	3,197,093
Orange	3,600,614	92,075,785	95,676,399	8,419,355	104,095,754
Placer	460,730	6,261,279	6,722,009	283,113	7,005,122
Plumas	477,009	834,052	1,311,061	41,052	1,352,113
Riverside	1,796,119	30,588,960	32,385,079	1,516,157	33,901,236
Sacramento	1,502,592	25,211,464	26,714,056	1,775,019	28,489,075
San Benito	94,110	1,019,024	1,113,134	62,152	1,175,286
San Bernardino	3,380,521	30,609,330	33,989,851	2,053,827	36,043,678
San Diego	7,305,299	73,296,660	80,601,959	3,266,805	83,868,764
San Francisco	2,502,540	30,233,872	32,736,412	3,702,691	36,439,103
San Joaquin	1,031,174	11,195,073	12,226,247	824,260	13,050,507
San Luis Obispo	3,751,801	6,622,785	10,374,586	292,961	10,667,547
San Mateo	1,179,703	27,422,214	28,601,917	3,967,483	32,569,400
Santa Barbara	670,556	13,137,737	13,808,293	1,131,020	14,939,313
Santa Clara	2,243,563	58,625,483	60,869,046	9,135,018	70,004,064
Santa Cruz	268,698	7,584,803	7,853,501	423,846	8,277,347
Shasta	866,895	3,614,963	4,481,858	260,772	4,742,630
Sierra	36,269	168,533	204,802	16,724	221,526
Siskiyou	164,700	1,254,912	1,419,612	131,217	1,550,829
Solano	496,672	7,771,446	8,268,118	431,641	8,699,759
Sonoma	1,045,567	13,324,018	14,369,585	600,902	14,970,487
Stanislaus	413,403	8,389,704	8,803,107	558,191	9,361,298
Sutter	146,794	1,978,187	2,124,981	111,368	2,236,349
Tehama	177,516	1,253,505	1,431,021	46,666	1,477,687
Trinity	44,497	395,093	439,590	36,844	476,434
Tulare	596,255	6,472,226	7,068,481	321,688	7,390,169
Tuolumne	136,770	1,543,923	1,680,693	86,029	1,766,722
Ventura	1,523,001	22,166,064	23,689,065	1,672,237	25,361,302
Yolo	279,997	3,745,150	4,025,147	274,863	4,300,010
Yuba	270,921	1,092,964	1,363,885	112,238	1,476,123
Totals	$63,991,600	$920,653,718	$984,645,318	$74,041,220	$1,058,686,538

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1986–87

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Adelanto	12,786	288,191	Cathedral City	45,458	726,892	Exeter	9,508	123,232
Agoura Hills	38,546	1,020,810	Ceres	17,111	373,920	Fairfax	4,883	261,541
Alameda	41,282	2,138,947	Cerritos	91,694	2,151,196	Fairfield	93,100	1,923,541
Albany	24,644	416,845	Chico	87,195	956,030	Farmersville	4,031	56,638
Alhambra	161,114	1,900,096	Chino	67,836	1,284,782	Ferndale	2,900	27,107
Alturas	8,196	58,452	Chowchilla	8,870	94,179	Fillmore	11,122	191,472
Amador	158	4,784	Chula Vista	345,938	2,938,036	Firebaugh	5,020	50,473
Anaheim	508,837	10,088,715	Claremont	58,338	916,512	Folsom	20,891	714,984
Anderson	11,574	137,392	Clayton	7,399	204,938	Fontana	71,827	1,319,877
Angels	7,192	50,003	Clearlake	17,521	267,628	Fort Bragg	11,737	205,886
Antioch	60,864	1,329,277	Cloverdale	6,083	92,053	Fort Jones	3,663	13,667
Arcadia	49,651	2,072,136	Clovis	49,719	1,068,213	Fortuna	9,439	184,876
Arcata	17,907	295,187	Coachella	14,344	161,234	Foster City	18,220	1,500,399
Arroyo Grande	17,136	431,174	Coalinga	6,266	127,168	Fountain Valley	42,898	1,944,993
Artesia	47,610	335,096	Colfax	3,766	33,259	Fowler	5,854	56,883
Arvin	5,356	73,570	Colma	6,085	89,693	Fremont	263,001	6,846,753
Atascadero	26,103	619,533	Colton	66,015	682,368	Fresno	496,957	7,817,417
Atherton	13,008	743,130	Colusa	8,240	89,708	Fullerton	134,656	4,603,751
Atwater	18,594	287,567	Commerce	230,276	1,356,539	Galt	5,771	108,943
Auburn	31,369	316,398	Compton	178,242	1,319,185	Gardena	40,705	1,389,414
Avalon	6,042	162,169	Concord	207,367	4,147,197	Garden Grove	113,384	3,675,282
Avenal	21,746	50,220	Corcoran	6,008	98,942	Gilroy	33,562	865,702
Azusa	30,005	845,606	Corning	9,840	110,993	Glendale	122,136	5,430,179
Bakersfield	249,231	4,529,805	Corona	82,061	1,649,372	Glendora	39,823	1,198,350
Baldwin Park	56,943	889,413	Coronado	30,637	1,084,583	Gonzales	4,423	128,523
Banning	24,207	305,772	Corte Madera	6,860	498,955	Grand Terrace	33,327	249,482
Barstow	69,368	376,679	Costa Mesa	97,600	4,526,628	Grass Valley	20,419	230,410
Beaumont	14,785	172,200	Cotati	5,045	133,601	Greenfield	4,305	69,284
Bell	40,799	401,721	Covina	90,223	1,293,236	Gridley	5,304	79,648
Bellflower	67,085	1,156,469	Crescent City	7,270	97,172	Grover City	6,811	255,426
Bell Gardens	38,202	374,815	Cudahy	5,737	180,512	Guadalupe	6,138	50,122
Belmont	20,688	1,080,858	Culver City	111,220	2,237,904	Gustine	3,773	84,666
Belvedere	3,356	260,211	Cupertino	43,517	2,724,799	Half Moon Bay	11,243	356,340
Benicia	26,738	1,162,131	Cypress	78,972	1,418,128	Hanford	35,084	561,735
Berkeley	103,323	2,977,795	Daly City	87,164	2,046,524	Hawaiian Gardens	7,389	192,071
Beverly Hills	123,206	4,842,761	Danville	53,014	1,909,453	Hawthorne	96,741	2,134,578
Big Bear Lake	20,550	673,722	Davis	49,001	1,131,874	Hayward	314,993	3,776,054
Biggs	1,879	20,684	Delano	18,666	255,865	Healdsburg	10,414	326,356
Bishop	14,123	142,313	Del Mar	6,997	370,686	Hemet	51,586	838,297
Blue Lake	1,931	47,953	Del Rey Oaks	1,907	47,441	Hercules	39,249	467,878
Blythe	20,466	131,023	Desert Hot Springs	19,040	268,958	Hermosa Beach	36,611	867,105
Bradbury	812	66,492	Dinuba	10,647	164,874	Hidden Hills	1,476	170,429
Brawley	10,636	240,066	Dixon	10,173	221,696	Hillsborough	13,919	1,256,530
Brea	46,423	2,162,941	Dorris	2,593	10,749	Hollister	19,353	404,364
Brentwood	11,018	139,382	Dos Palos	4,550	50,877	Holtville	3,378	60,643
Brisbane	74,506	367,405	Downey	127,456	2,492,906	Hughson	2,861	43,958
Buena Park	123,966	2,286,503	Duarte	13,795	332,414	Huntington Beach	475,467	7,528,826
Burbank	97,122	4,230,412	Dublin	16,371	826,340	Huntington Park	62,362	687,095
Burlingame	215,685	1,898,448	Dunsmuir	4,046	34,951	Huron	2,877	31,518
Calexico	9,914	216,979	East Palo Alto	9,873	299,905	Imperial	2,874	51,130
California City	6,769	150,208	El Cajon	86,682	2,339,229	Imperial Beach	19,728	383,092
Calipatria	2,978	24,265	El Centro	31,622	490,039	Indian Wells	12,383	828,358
Calistoga	5,817	126,496	El Cerrito	23,121	692,317	Indio	43,647	704,683
Camarillo	68,823	2,254,873	El Monte	92,709	1,605,618	Industry	108,091	1,845,974
Campbell	26,014	1,497,147	El Segundo	292,908	3,888,040	Inglewood	88,974	2,158,057
Capitola	18,756	384,720	Emeryville	25,280	700,508	Ione	2,534	28,131
Carlsbad	391,526	3,134,744	Escalon	5,367	97,172	Irvine	257,030	9,201,998
Carmel	10,777	500,803	Escondido	123,759	2,751,897	Irwindale	48,955	578,525
Carpinteria	22,727	429,665	Etna	1,373	13,568	Isleton	2,928	11,599
Carson	146,360	4,130,314	Eureka	52,228	626,976	Jackson	8,463	92,811

TABLE 11—ASSESSED VALUE [a] OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1986–87—Continued

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Kerman	5,836	83,605	Montclair	25,004	755,454	Porterville	31,714	502,180
King City	9,082	148,733	Montebello	183,148	1,395,755	Port Hueneme	14,325	461,650
Kingsburg	6,640	129,820	Monterey	65,291	1,466,596	Portola	5,114	42,893
La Canada-Flintridge	53,272	9 0,206	Monterey Park	92,580	1,740,040	Portola Valley	5,671	379,446
Lafayette	31,184	1 2 9,990	Monte Sereno	2,541	224,787	Poway	42,441	1,348,248
Laguna Beach	30,595	1 3 1,669	Moorpark	40,257	664,990	Rancho Cucamonga	311,259	2,830,181
La Habra	63,746	1,5 3,595	Moraga	18,010	779,424	Rancho Mirage	42,709	1,668,622
La Habra Heights	15,197	315,710	Moreno Valley	83,957	1,774,022	Rancho Palos Verdes	60,191	2,343,316
Lake Elsinore	24,656	367 579	Morgan Hill	29,901	860,831	Red Bluff	21,578	246,962
Lakeport	12,450	138,237	Morro Bay	245,016	369,715	Redding	106,952	1,659,295
Lakewood	63,039	1,976,452	Mountain View	108,509	3,637,588	Redlands	106,438	1,411,753
La Mesa	75,583	1,479,563	Mount Shasta	5,608	88,332	Redondo Beach	343,574	2,968,388
La Mirada	41,775	1,378,524	Napa	68,447	1,675,820	Redwood City	127,186	2,743,248
Lancaster	92,172	1,705,863	National City	62,009	895,563	Reedley	18,722	234,133
La Palma	10,873	534,903	Needles	12,921	85,883	Rialto	121,738	1,125,627
La Puente	70,314	467,572	Nevada City	8,315	99,806	Richmond	162,526	3,693,544
La Quinta	16,212	605,191	Newark	25,920	1,307,784	Ridgecrest	31,141	472,876
Larkspur	25,381	634,537	Newman	5,122	72,156	Rio Dell	2,840	38,574
La Verne	32,007	816,132	Newport Beach	78,565	7,739,985	Rio Vista	6,588	104,080
Lawndale	12,517	565,481	Norco	17,375	503,464	Ripon	6,045	169,295
Lemon Grove	21,655	441,959	Norwalk	119,057	1,649,075	Riverbank	7,957	168,511
Lemoore	9,679	249,695	Novato	69,298	1,803,369	Riverside	169,426	5,340,371
Lincoln	8,508	148,093	Oakdale	13,074	304,414	Rocklin	27,025	391,463
Lindsay	10,493	141,037	Oakland	883,600	10,382,649	Rohnert Park	44,546	1,050,907
Live Oak	4,953	41,392	Oceanside	135,015	3,135,920	Rolling Hills	3,345	260,861
Livermore	76,311	1,813,487	Ojai	14,755	276,014	Rolling Hills Estates	7,385	724,779
Livingston	5,810	106,339	Ontario	249,132	3,645,204	Rosemead	208,191	846,494
Lodi	39,917	1,343,417	Orange	238,542	4,445,028	Roseville	89,966	1,307,955
Loma Linda	19,985	388,304	Orange Cove	2,966	46,027	Ross	2,630	203,600
Lomita	30,877	510,734	Orinda	55,672	991,443	Sacramento	750,171	9,541,538
Lompoc	23,110	704,793	Orland	7,333	104,710	St. Helena	12,218	288,944
Long Beach	1,141,162	13,526,093	Oroville	28,140	327,562	Salinas	127,616	2,242,325
Loomis	9,845	144,526	Oxnard	543,952	3,254,030	San Anselmo	8,908	485,237
Los Alamitos	16,086	482,416	Pacifica	30,083	993,417	San Bernardino	285,702	3,075,889
Los Altos	33,701	1,527,874	Pacific Grove	11,328	568,093	San Bruno	80,891	1,374,236
Los Altos Hills	9,966	664,095	Palmdale	51,242	1,119,838	San Carlos	43,642	1,506,352
Los Angeles	4,354,153	109,487,669	Palm Desert	61,443	1,977,682	San Clemente	50,569	1,831,490
Los Banos	14,018	258,217	Palm Springs	109,188	3,111,477	Sand City	705	45,906
Los Gatos	56,692	1,614,206	Palo Alto	130,299	4,724,009	San Diego	1,830,076	37,400,297
Loyalton	1,326	15,375	Palos Verdes Estates	16,656	1,185,423	San Dimas	55,306	966,906
Lynwood	22,345	699,118	Paradise	28,704	590,554	San Fernando	43,524	405,662
Madera	30,499	438,039	Paramount	58,676	873,218	San Francisco	2,502,540	33,936,563
Mammoth Lakes	14,340	740,215	Parlier	3,748	36,830	San Gabriel	39,039	802,468
Manhattan Beach	38,337	2,186,381	Pasadena	201,745	4,923,240	Sanger	12,101	228,715
Manteca	35,942	780,722	Paso Robles	21,634	467,413	San Jacinto	13,875	231,511
Maricopa	1,367	13,786	Patterson	5,762	94,827	San Joaquin	1,322	17,099
Marina	12,962	311,081	Perris	39,966	236,588	San Jose	1,065,112	27,333,462
Martinez	45,495	1,151,524	Petaluma	48,031	1,262,407	San Juan Bautista	3,167	36,007
Marysville	32,817	301,886	Pico Rivera	77,961	1,536,988	San Juan Capistrano	44,054	1,232,618
Maywood	4,925	226,485	Piedmont	57,852	602,470	San Leandro	110,060	2,793,780
McFarland	3,995	51,517	Pinole	13,370	468,510	San Luis Obispo	66,460	1,272,383
Mendota	4,328	51,239	Pismo Beach	12,180	360,854	San Marcos	40,996	985,838
Menlo Park	47,225	2,009,974	Pittsburg	44,235	950,225	San Marino	9,716	900,761
Merced	71,721	1,092,833	Placentia	51,984	1,271,516	San Mateo	126,554	4,244,216
Millbrae	32,641	860,992	Placerville	20,851	242,100	San Pablo	14,460	429,563
Mill Valley	26,598	752,227	Pleasant Hill	30,400	1,244,790	San Rafael	141,900	2,584,385
Milpitas	92,958	2,618,635	Pleasanton	144,145	2,476,960	San Ramon	61,287	1,402,139
Modesto	137,930	3,586,409	Plymouth	2,743	12,356	Santa Ana	348,038	7,481,077
Monrovia	51,151	976,628	Point Arena	2,361	9,401	Santa Barbara	150,406	3,607,829
Montague	2,437	21,575	Pomona	172,465	2,617,992	Santa Clara	188,725	6,910,303

TABLE 11—ASSESSED VALUE [a] OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1986–87—Concluded

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Santa Cruz	57,558	1,707,617	Sunnyvale	182,810	7,265,005	Waterford	3,480	54,178
Santa Fe Springs	91,235	1,993,180	Susanville	13,493	141,041	Watsonville	32,994	734,910
Santa Maria	65,270	1,578,057	Sutter Creek	2,721	52,833	Weed	4,527	48,623
Santa Monica	374,061	5,042,801	Taft	14,747	127,497	West Covina	55,667	2,431,471
Santa Paula	23,670	464,014	Tehachapi	8,066	84,767	West Hollywood	26,773	1,914,721
Santa Rosa	210,051	3,955,074	Tehama	426	7,141	Westlake Village	9,181	613,546
Santee	45,401	1,184,762	Temple City	19,094	727,575	Westminster	150,917	1,971,196
Saratoga	31,444	1,685,433	Thousand Oaks	227,987	4,771,457	Westmorland	567	11,666
Sausalito	14,673	668,498	Tiburon	10,102	670,526	Wheatland	3,096	24,439
Scotts Valley	15,374	486,033	Torrance	241,149	6,613,135	Whittier	116,964	2,118,130
Seal Beach	50,761	1,197,435	Tracy	34,454	764,050	Williams	2,216	32,936
Seaside	20,602	411,662	Trinidad	1,619	16,294	Willits	8,993	127,536
Sebastopol	11,359	224,880	Tulare	46,191	558,862	Willows	9,283	100,294
Selma	17,509	218,405	Tulelake	1,983	13,761	Winters	3,790	63,662
Shafter	8,180	89,178	Turlock	33,582	810,310	Woodlake	4,074	56,118
Sierra Madre	10,178	349,374	Tustin	56,041	1,997,032	Woodland	32,972	949,952
Signal Hill	19,670	646,864	Ukiah	24,313	337,690	Woodside	11,123	550,402
Simi Valley	96,817	3,140,314	Union City	57,584	1,572,950	Yorba Linda	48,016	1,810,928
Soledad	6,795	77,385	Upland	87,456	1,825,419	Yountville	3,866	67,329
Solvang	14,467	269,530	Vacaville	46,620	1,328,225	Yreka	13,086	216,522
Sonoma	7,420	301,406	Vallejo	95,193	1,939,849	Yuba City	36,547	576,217
Sonora	14,057	125,582	Ventura	148,715	3,363,854	Grand totals	$36,885,226	$751,842,076
South El Monte	13,837	497,809	Vernon	85,170	1,512,039			
South Gate	64,006	1,401,575	Victorville	80,940	685,136			
South Lake Tahoe	29,443	1,264,264	Villa Park	5,161	351,026			
South Pasadena	24,649	784,208	Visalia	95,924	1,746,238			
South San Francisco	97,374	2,797,386	Vista	63,634	1,506,625			
Stanton	45,115	662,438	Walnut	30,955	717,398			
Stockton	281,652	4,552,487	Walnut Creek	125,709	3,855,897			
Suisun	8,569	350,024	Wasco	9,197	126,674			

[a] These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

Note: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1986–87

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	$27,478,924
Gas and electric	32,863,337
Intercounty pipelines, flumes, canals, ditches, and aqueducts	1,265,795
Car	20,495
Railroad	2,363,049
Total	$63,991,600
UNDER PRIVATE CAR TAX LAW	
Private cars	439,754
Grand total	$64,431,354

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1986–87

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
ALLNET Communication Services	$26,597
American Satellite Company	51,355
American Telephone & Telegraph Communications of California, Inc.	1,158,127
American Telephone & Telegraph Interstate Division	678,853
Argo Communications Corporation	8,756
California-Oregon Telephone Company	7,012
Citizens Utilities Company of California (Telephone)	171,708
Citizens Utilities Company of California (Water)	19,762
Comsat General Corporation	10,763
Comsat International Communications, Inc.	16,568
Continental Telephone Company of California	517,095
Evans Telephone Company	12,909
Gencom Inc.	14,300
General Telephone Company of California	5,274,013
GTE Mobilnet of San Francisco, Limited Partnership	20,547
GTE Spacenet Corporation	22,450
GTE Sprint Communications Corporation	511,607
Happy Valley Telephone Company	8,101
Intrastate Radio Telephone, Inc. of San Francisco	13,500
ITT World Communications, Inc.	29,922
L.A. SMSA, Limited (dba PacTel Mobile Access)	76,844
M.C.I. Telecommunications Corporation	297,695
Pacific Bell	17,811,916
PacTel Mobile Access	11,314
Ponderosa Telephone Company (The)	17,014
R.C.A. American Communications, Inc.	48,950
R.C.A. Global Communications, Inc.	15,647
Roseville Telephone Company	110,085
Sierra Telephone Company, Inc.	26,024
Siskiyou Telephone Company (The)	10,639
Starnet Corporation	24,700
Telesphere Network, Inc.	14,982
Tuolumne Telephone Company	18,051
U.S. Telecom, Inc.	14,481
Volcano Telephone Company (The)	14,146
West Coast Telephone Company of California	13,561
Western Telecommunications, Inc.	19,523
Western Union International, Inc.	8,000
Western Union Telegraph Company (The)	207,463
132 companies with an assessed value of less than $7,000,000 each	144,044
Total for telephone and telegraph companies [a]	$27,478,924

[a] Includes 62 radio-telephone companies.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1986–87—Continued

(In thousands of dollars)

Name of company	Assessed value
1	2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Inc.	$9,701
C.P. National Corporation	48,597
Pacific Gas & Electric Company	15,938,637
Pacific Power & Light	104,451
Plumas-Sierra Rural Electric Corporation	11,004
San Diego Gas & Electric Company	3,188,049
Sierra Pacific Power Company	73,023
Southern California Edison Company	10,952,928
Southern California Gas Company	2,329,304
Southern California Water Company	143,563
Southwest Gas Corporation	55,000
Surprise Valley Electrification Corporation	9,002
Valley Electric Association, Inc.	78
Total for gas and electric companies	$32,863,337
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [b]	
All American Pipeline Company	$67,513
Beacon Oil Company	2,850
Calnev Pipe Line Company	60,037
Casitas Pipeline Company	2,793
Chevron U.S.A., Inc.	118,569
City of Riverside	5,071
Cuyama Pipeline Company	1,733
Exxon Company, U.S.A.—Division of Exxon Corporation	1,250
Four Corners Pipe Line Company	144,549
Getty Oil Company	96,006
Golden West Refining Company	18,168
Great Western Pipeline Company, Inc.	6,750
Homestake Mining Company of California	8,900
Kerr-McGee Chemical Corporation	1,950
Kings County Canal Company	599
Mobil Oil Corporation	71,258
Powerine Oil Company	2,356
Riverside Highland Water Company	460
San Diego Pipeline Company	33,000
San Luis Canal Company	2,450
Shell California Production, Inc.	8,350
Shell Oil Company	63,511
Southern Pacific Pipe Lines, Inc.	375,273
Standard Gas Company	2,100
Standard Pacific Gas Line, Inc.	30,999
Standard Pipe Line Company	8,600
Texaco Trading & Transportation, Inc.	10,866
Union Oil Company of California	112,785
Vallecitos Pipeline Company	378
Ventura Pipeline System	4,900
West Riverside Canal Company	1,650
2 companies with an assessed value of less than $200,000 each	121
Total for intercounty pipe lines, etc.	$1,265,795

[b] All other taxable property owned by these companies is locally assessed.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1986–87—Concluded

(In thousands of dollars)

Name of company	Assessed value
1	2
CAR COMPANIES [c]	
ACF Industries, Inc., Shippers' Car Line Division	$3
General American Transportation Corporation	3,101
North American Car Corporation	2,364
Pacific Fruit Express Company	3,075
Trailer Train Company	11,860
Union Tank Car Company	92
Total for car companies	$20,495
RAILROAD COMPANIES	
Alameda Belt Line	$2,211
Almanor Railroad Company	200
Amador Central Railroad Company	5,127
Arcata & Mad River Railroad Company (The)	2,280
Atchison, Topeka, & Santa Fe Railway Company (The)	517,189
Burlington Northern Railroad	8,335
California Western Railroad	2,272
Camino, Placerville & Lake Tahoe Railroad Company	2,970
Central California Traction Company	3,788
Eureka Southern Railroad Company, Inc.	5,191
Lake County, Oregon	670
Los Angeles Junction Railway Corporation	20,000
McCloud River Railroad Company	10,056
Modesto & Empire Traction Company	21,924
Northwestern Pacific Railroad Company	25,223
Oakland Terminal Railway (The)	853
Parr Terminal Railroad	386
Port Railroads, Inc.	110
Quincy Railroad Company	950
Redwood Coast Railway Company	193
San Diego & Arizona Eastern Railway Company	868
San Diego & Imperial Valley Railroad Company	1,339
Santa Cruz, Big Tree & Pacific Railway Company	893
Santa Maria Valley Railroad Company	5,917
Sierra Railroad Company	4,125
Southern Pacific Transportation Company	1,383,182
Stockton Terminal & Eastern Railroad	14,500
Sunset Railway Company	895
Trona Railway Company	19,614
Union Pacific Corporation	295,292
Ventura County Railway Company	3,893
Visalia Electric Railroad Company	836
Yreka Western Railroad Company	1,767
Total for railroad companies	$2,363,049

[c] Property at fixed locations which is not subject to the private car tax. Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—Discontinued.

In previous reports this table presented data on assessment ratios, "Collier factors" and coefficients of dispersion.

TABLE 14—1985–86 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net taxable [a] assessed value	Property tax allocations and levies [b]					Average tax rate	
		City	County [c]	School [c]	Other [d] district	Total [d]	1985–86	1984–85
1	2	3	4	5	6	7	8	9
Alameda	$38,241,917	$106,295	$135,935	$113,069	$103,774	$459,073	1.200%	1.247%
Alpine	134,623	–	1,010	319	94	1,423	1.057	1.030
Amador	1,011,978	423	4,640	5,188	256	10,507	1.038	1.046
Butte	4,698,396	3,965	11,108	28,223	5,966	49,262	1.048	1.061
Calaveras	1,210,922	80	3,699	7,437	2,004	13,220	1.092	1.100
Colusa	1,136,359	459	4,339	6,016	1,023	11,837	1.042	1.044
Contra Costa	31,226,947	38,994	85,781	124,579	107,964	357,318	1.144	1.138
Del Norte	456,270	94	1,461	2,505	666	4,726	1.036	1.035
El Dorado	4,566,128	3,398	15,311	19,538	10,845	49,092	1.075	1.101
Fresno	18,184,001	26,818	59,298	82,107	26,732	194,955	1.072	1.094
Glenn	1,082,556	715	3,764	6,146	746	11,371	1.050	1.062
Humboldt	3,043,303	1,731	11,299	14,764	4,738	32,532	1.069	1.132
Imperial	2,610,629	3,390	9,027	13,241	2,060	27,718	1.062	1.082
Inyo	1,017,439	225	3,877	5,596	945	10,643	1.046	1.037
Kern [e]	31,152,098	15,021	104,275	140,173	41,186	300,655	0.965	1.049
Kings	2,378,864	1,904	11,364	8,823	2,386	24,477	1.029	1.054
Lake	2,793,274	700	10,034	12,705	4,617	28,056	1.004	1.023
Lassen	711,149	323	2,151	4,432	569	7,475	1.051	1.058
Los Angeles	257,241,901	530,516	1,157,457	636,878	483,603	2,808,454	1.092	1.103
Madera	2,748,970	1,265	7,828	17,375	2,512	28,980	1.054	1.070
Marin	10,967,534	15,308	33,153	48,001	18,030	114,492	1.044	1.069
Mariposa	660,090	—	2,194	4,010	417	6,621	1.003	1.004
Mendocino	2,441,109	927	11,195	12,903	1,731	26,756	1.096	1.098
Merced	4,339,172	3,796	17,631	19,206	4,758	45,391	1.046	1.054
Modoc	476,732	174	1,783	2,661	312	4,930	1.034	1.038
Mono	1,153,692	338	4,634	3,946	3,352	12,270	1.064	1.064
Monterey	10,835,757	11,253	30,567	55,462	14,971	112,253	1.036	1.042
Napa	3,980,612	4,702	12,510	21,355	3,575	42,142	1.059	1.100
Nevada	2,830,149	915	8,362	14,653	5,876	29,806	1.053	1.073
Orange	91,621,185	122,590	187,869	521,504	208,991	1,040,954	1.136	1.153
Placer	6,201,197	3,798	19,380	31,441	10,874	65,493	1.056	1.073
Plumas	1,242,349	133	3,487	7,287	1,646	12,553	1.010	1.011
Riverside	28,861,453	26,188	85,608	125,973	87,495	325,264	1.127	1.153
Sacramento	24,380,551	30,771	96,221	79,696	59,781	266,469	1.093	1.108
San Benito	1,010,278	582	2,320	6,791	2,005	11,698	1.158	1.159
San Bernardino	30,528,446	33,213	94,012	115,565	106,182	348,972	1.143	1.167
San Diego	71,869,394	113,854	190,037	397,263	69,591	770,745	1.072	1.090
San Francisco	31,879,426	—	309,486	30,917	23,021	363,424	1.140	1.142
San Joaquin	11,718,766	16,500	48,222	41,549	17,112	123,383	1.053	1.060
San Luis Obispo	9,043,856	6,843	32,541	52,010	5,653	97,047	1.073	1.073
San Mateo	28,611,500	40,451	73,979	148,858	31,256	294,544	1.029	1.035
Santa Barbara	13,365,796	8,248	42,069	68,173	21,944	140,434	1.051	1.058
Santa Clara	61,049,457	82,381	173,188	333,922	108,777	698,268	1.144	1.171
Santa Cruz	7,237,893	6,323	20,371	40,503	9,819	77,016	1.064	1.061
Shasta	4,256,757	3,528	11,818	26,320	4,496	46,162	1.084	1.090
Sierra	193,246	38	1,220	483	214	1,955	1.012	1.012
Siskiyou	1,409,867	1,225	5,093	7,281	799	14,398	1.021	1.022
Solano	7,690,242	15,918	29,370	27,359	14,887	87,534	1.138	1.121
Sonoma	13,641,913	11,875	50,450	69,808	13,556	145,689	1.068	1.070
Stanislaus	8,288,302	7,574	21,975	52,149	4,624	86,322	1.041	1.045
Sutter	2,131,453	1,744	7,528	10,750	2,063	22,085	1.036	1.042
Tehama	1,337,970	918	5,224	7,458	526	14,126	1.056	1.065
Trinity	438,488	—	1,693	2,567	271	4,531	1.033	1.036
Tulare	6,596,506	5,103	28,691	29,500	5,396	68,690	1.041	1.037
Tuolumne	1,534,087	230	6,265	8,301	1,280	16,076	1.048	1.052
Ventura	22,543,727	19,474	70,283	94,662	63,167	247,586	1.098	1.128
Yolo	3,842,250	6,726	12,808	18,149	4,954	42,637	1.110	1.136
Yuba	1,227,961	742	5,108	6,129	1,581	13,560	1.104	1.114
Totals	$937,086,887	$1,340,699	$3,402,003	$3,793,679	$1,737,669	$10,274,050	1.096%	1.113%

[a] These are the assessed values on which general property taxes were actually levied in 1985–86. Excluded are exemptions totaling $49,624,415,000 as follows: homeowners', $30,208,543,000; and all other, $19,415,872,000.

[b] The county levies at a rate of 1 percent of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the State reimbursements to local governments of $333,829,000 for the homeowners' exemption described in footnote a. Reimbursements for the exemption of business inventories were eliminated beginning with the 1984–85 year.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the 1 percent levy allocated to jurisdictions previously taxing less than total property.

TABLE 15—1985–86 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.23	$.30	$.25	$.22	$1.00
Alpine	—	.71	.22	.07	1.00
Amador	.04	.44	.49	.03	1.00
Butte	.08	.23	.57	.12	1.00
Calaveras	.01	.28	.56	.15	1.00
Colusa	.04	.37	.51	.08	1.00
Contra Costa	.11	.24	.35	.30	1.00
Del Norte	.02	.31	.53	.14	1.00
El Dorado	.07	.31	.40	.22	1.00
Fresno	.14	.30	.42	.14	1.00
Glenn	.06	.33	.54	.07	1.00
Humboldt	.05	.35	.45	.15	1.00
Imperial	.12	.33	.48	.07	1.00
Inyo	.02	.36	.53	.09	1.00
Kern	.05	.35	.46	.14	1.00
Kings	.08	.46	.36	.10	1.00
Lake	.03	.36	.45	.16	1.00
Lassen	.04	.29	.59	.08	1.00
Los Angeles	.19	.41	.23	.17	1.00
Madera	.04	.27	.60	.09	1.00
Marin	.13	.29	.42	.16	1.00
Mariposa	—	.33	.61	.06	1.00
Mendocino	.03	.42	.48	.07	1.00
Merced	.08	.39	.42	.11	1.00
Modoc	.04	.36	.54	.06	1.00
Mono	.03	.38	.32	.27	1.00
Monterey	.10	.27	.50	.13	1.00
Napa	.11	.30	.51	.08	1.00
Nevada	.03	.28	.49	.20	1.00
Orange	.12	.18	.50	.20	1.00
Placer	.06	.29	.48	.17	1.00
Plumas	.01	.28	.58	.13	1.00
Riverside	.08	.26	.39	.27	1.00
Sacramento	.12	.36	.30	.22	1.00
San Benito	.05	.20	.58	.17	1.00
San Bernardino	.10	.27	.33	.30	1.00
San Diego	.15	.25	.51	.09	1.00
San Francisco	—	.85	.09	.06	1.00
San Joaquin	.13	.39	.34	.14	1.00
San Luis Obispo	.07	.33	.54	.06	1.00
San Mateo	.14	.25	.50	.11	1.00
Santa Barbara	.06	.30	.48	.16	1.00
Santa Clara	.12	.25	.48	.15	1.00
Santa Cruz	.08	.26	.53	.13	1.00
Shasta	.08	.25	.57	.10	1.00
Sierra	.02	.62	.25	.11	1.00
Siskiyou	.06	.35	.51	.06	1.00
Solano	.18	.34	.31	.17	1.00
Sonoma	.08	.35	.48	.09	1.00
Stanislaus	.09	.26	.60	.05	1.00
Sutter	.08	.34	.49	.09	1.00
Tehama	.06	.37	.53	.04	1.00
Trinity	—	.37	.57	.06	1.00
Tulare	.07	.42	.43	.08	1.00
Tuolumne	.01	.39	.52	.08	1.00
Ventura	.08	.28	.38	.26	1.00
Yolo	.16	.30	.42	.12	1.00
Yuba	.05	.38	.45	.12	1.00
Average	$.13	$.33	$.37	$.17	$1.00

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

TABLE 16A—TIMBER YIELD TAX AND TIMBER RESERVE FUND TAX STATISTICS, 1977 TO 1985

Calendar year	Market value of timber harvest (in millions)	Timber yield tax		Timber reserve fund	
		Rate [a]	Net revenue (in thousands)	Rate [a]	Net revenue (in thousands)
1	2	3	4	5	6
1985	$396.5	2.9%	$12,155	—	—
1984	425.0	2.9	13,144	—	—
1983	400.5	2.9	12,045	— [b]	$81
1982	296.1	2.9	9,004	5.2%	15,361
1981	493.1	3.0	14,970	1.7	8,179
1980	565.8	3.0	16,945	0.0	13
1979	742.7	3.0	22,481	0.0	18
1978	682.1	6.0	41,342	0.5	3,439
1977	389.0 [c]	6.0	23,822 [c]	0.5	1,985 [c]

[a] In effect for the year. The rate is set annually in December.
[b] A sunset provision terminated the reserve fund tax at the end of 1982.
[c] This tax became effective April 1, 1977. The timber yield tax replaced the ad valorem property tax on standing timber. The reserve rate assured that the timber tax fund would be sufficient to meet the revenue guarantees of the participating counties.

TABLE 16B—TIMBER PRODUCTION [a] STATISTICS, BY COUNTY, 1985

County	Net volume [b] (in thousands of board feet)	Market value [c] (in thousands)	County	Net volume [b] (in thousands of board feet)	Market value [c] (in thousands)
1	2	3	4	5	6
Alpine	12,325	$672	Placer	82,181	6,857
Amador	22,801	1,607	Plumas	267,375	22,558
Butte	74,883	5,661	San Mateo	7,277	1,111
Calaveras	56,991	5,045	Santa Clara	2,763	496
Del Norte	203,074	41,670	Santa Cruz	10,256	1,601
El Dorado	220,955	14,924	Shasta	223,234	23,334
Fresno	79,510	3,628	Sierra	112,323	7,020
Glenn	33,557	2,421	Siskiyou	495,703	40,981
Humboldt	546,990	80,158	Sonoma	25,815	2,878
Inyo	3,029	266	Tehama	115,726	10,197
Kern	1,984	281	Trinity	246,336	24,459
Lake	22,099	1,432	Tulare	80,981	4,147
Lassen	104,572	16,830	Tuolumne	110,858	8,229
Madera	48,996	3,231	Yuba	20,168	2,036
Mariposa	8,686	531	Other [d]	50	887
Mendocino	423,884	50,792	TOTAL	3,785,638	$396,595
Modoc	55,509	6,520			
Mono	5,566	525			
Napa	2,232	161			
Nevada	56,949	3,449			

[a] Data are from harvest reports prepared by taxpayers for payment of the Timber Yield Tax and are subject to audit corrections and delinquent filing.
[b] Board feet is the quantity of timber cut and scaled. Miscellaneous products including all hardwoods, Christmas trees, fuelwood, poles and piling, and split products are generally not measured in net board feet.
[c] Value of the timber immediately before cutting.
[d] Includes timber harvested in Alameda, Colusa, Contra Costa, Los Angeles, Marin, Merced, Monterey, Orange, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Solano, Stanislaus, Ventura, and Yolo counties.

TABLE 17A—ASSESSED VALUE OF PRIVATE CARS ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1986–87

Name of company	Assessed value (in thousands)	Amount of tax
1	2	3
PRIVATE CARS		
ACF Industries, Inc.	$32,537	$353,354
ADM Transportation Company	6,780	73,627
Allied Corporation	2,726	29,608
American President Intermodel	4,015	43,608
Amoco Chemicals Corporation	1,634	17,741
Amoco Oil Company	1,097	11,917
Amstar Corporation	729	7,912
Andrews Petroleum, Inc./Leasco	1,060	11,515
Borg Warner Chemical, Inc.	1,701	18,474
California Railcar Corporation	1,744	18,941
Cargill, Inc.	1,618	17,571
Celtran, Inc., A Subsidiary of Celanese Corporation	2,065	22,428
Chevron USA, Inc.	10,913	118,520
Chicago Freight Car Leasing Company	1,189	12,907
Columbian Chemicals Company	723	7,847
Combustion Engineering, Inc.	744	8,074
Conoco	1,468	15,938
Crystal Car Line, Inc.	1,528	16,590
Dow Chemical Company (The)	10,206	110,839
E. I. DuPont de Nemours & Company	3,705	40,240
Evans Railcar Leasing Company	4,778	51,894
Exxon Chemical Americas	3,295	35,783
Exxon Company USA	2,966	32,215
Foster Poultry Farms, Inc.	745	8,093
General American Transportation Corporation	45,120	490,003
Georgia Gulf Corporation	901	9,786
GLNX Corporation	1,076	11,685
B.F. Goodrich, c/o U.S. Rail Services, Inc.	877	9,522
Granite Rock Company	1,882	20,440
Kerr-McGee Chemical Corporation	2,714	29,471
Koppers Company, Inc.	2,095	22,746
Lamco, Inc.	1,124	12,208
Martin Marietta Corporation	733	7,956
MHC, Inc.	770	8,367
Midwest Energy Services Company	5,775	62,717
Mobil Oil Corporation	3,964	43,046
Monsanto Company	2,066	22,437
Norchem, Inc.	1,824	19,808
North American Car Corporation	25,382	275,652
Occidental Chemical Corporation	1,504	16,333
Petrolane, Gas Service, Inc.	739	8,028
Phillips Petroleum Company	3,165	34,373
Procor, Limited	952	10,335
Pullman Leasing Company	6,156	66,853
Rail Box Company	4,867	52,861
RAILGON Company	1,145	12,438
Railtex, Inc.	3,137	34,069
Richmond Leasing Company	4,495	48,819
Shell Oil Company	8,160	88,616
Soltex Polymer Corporation	921	10,003
A.E. Staley Manufacturing Company	786	8,538
Tennessee Eastman Company, Division of Eastman Kodak Company	1,923	20,879
Tosco Corporation	918	9,970
Trailer Train Company	116,762	1,268,032
Trinity Industries Leasing Company	6,931	75,276
Union Carbide Corporation	6,768	73,497
Union Sugar Company	1,259	13,674
Union Tank Car Company	42,500	461,552
United Equipment Leasing Associates	3,177	34,499
United States Rail Services, Inc.	2,130	23,129
Vulcan Materials Company, Chemicals Division	851	9,237
WFIX Partners	2,109	22,904
184 other companies with an assessed value under $700,000 each	22,130	240,328
Totals for private cars	$439,754	$4,775,723

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1986–87

Fiscal year	Average number of cars	Assessed value [a] (000 omitted)	Average assessed value per car [a]	Tax rate per $100 assessed value [b]	Amount of tax [c] (000 omitted)
1	2	3	4	5	6
1986–87	20,990	$439,734	$20,951	$1.086	$4,776
1985–86	21,159	407,506	19,259	1.102	4,491
1984–85	21,526	515,750	23,959	1.115	5,751
1983–84	22,596	554,614	24,545	1.119	6,206
1982–83	18,689	581,697	31,127	1.13	6,573
1981–82	16,142	528,235	32,724	1.14	6,022
1980–81	16,143	109,696	6,795	4.62	5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,652	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,559	37,627	2,584	7.79	2,931
1966–67	13,872	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,108	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848 [e]

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.
The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82 and the tax rate was adjusted downward proportionately.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

[e] The private car tax was first imposed in 1938. Prior to 1938 private cars were subject to local taxation and were assessed in the same manner as utility property.

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1985–86
(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1985–86	$10,317,990	$574	$10,318,564	815,783
1984–85	9,797,612	501	9,798,113	784,248
1983–84	8,797,924	498	8,798,422	764,366
1982–83	7,795,554	475	7,796,029	763,685
1981–82	7,689,139	448	7,689,587	724,352
1980–81	7,131,482	409	7,131,891	673,876
1979–80	6,658,425	365	6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	598,477
1976–77	4,311,426	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,700
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57	599,789	102	599,891	320,486
1955–56 [h]	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973, the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1956, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 21C for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent, sales of food for human consumption, except when served as meals, were exempted, and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1985–86

Type of business	Taxable transactions [a] Amount (in thousands)	Percent of total	Percent change from year to year	State sales tax (in thousands)	Number of permits on June 30, 1986 [b]
1	2	3	4	5	6
Retail Stores					
Women's apparel	$2,407,921	1.14%	10.0%	$114,376	9,681
Men's apparel	1,027,438	.49	1.4	48,803	2,657
Family apparel	1,804,514	.85	11.2	85,714	5,516
Shoes	1,524,999	.72	4.3	72,437	4,520
Apparel stores group	6,764,872	3.19	7.6	321,331	22,374
Limited-price variety	642,496	.30	7.0	30,519	931
Department and dry goods	17,317,266	8.18	5.2	822,570	3,475
Drug stores [c]	3,765,716	1.78	2.9	178,872	4,340
Other general merchandise	521,740	.25	8.1	24,783	1,590
General merchandise stores	22,247,218	10.50	4.9	1,056,743	10,336
Gifts, art goods, and novelties	804,112	.38	3.6	38,195	7,978
Sporting goods	1,231,784	.58	9.8	58,510	4,803
Florists	499,617	.24	6.6	23,732	4,060
Photographic equipment and supplies	423,685	.20	2.5	20,125	1,086
Musical instruments	1,314,403	.62	.3	62,434	2,686
Stationery and books	1,885,137	.89	8.8	89,544	6,163
Jewelry	1,099,474	.52	5.8	52,225	5,106
Office, store, and school supplies	4,472,595	2.11	−1.1	212,448	5,741
Other specialties	4,125,511	1.95	8.1	195,962	28,642
Specialty stores group	15,856,318	7.49	4.3	753,173	66,265
Food stores selling all types of liquors [c]	9,393,828	4.43	3.7	446,207	4,667
All other food stores [c]	3,238,908	1.53	5.2	153,848	17,733
Packaged liquor stores	1,897,171	.90	−.3	90,116	5,552
Eating places: no alcoholic beverages	6,934,898	3.27	8.2	329,408	29,177
Eating places: beer and wine	4,156,711	1.96	7.6	197,444	19,167
Eating and drinking: all types of liquor	6,633,832	3.13	3.9	315,107	11,163
Eating and drinking group	17,725,441	8.37	6.4	841,958	59,507
Household and home furnishings	3,904,412	1.84	6.5	185,460	15,879
Household appliance dealers	2,795,299	1.32	9.0	132,777	4,674
Second-hand merchandise	224,062	.11	5.5	10,643	3,807
Farm implement dealers	1,200,140	.57	2.3	57,007	1,177
Farm and garden supply stores	1,048,698	.50	2.9	49,813	3,504
Fuel and ice dealers	313,487	.15	−2.2	14,891	791
Lumber and building materials	5,955,248	2.81	18.0	282,874	4,086
Hardware stores	1,666,769	.79	−.3	79,172	2,264
Plumbing and electrical supplies	1,105,316	.52	10.4	52,503	1,399
Paint, glass, and wallpaper	846,137	.40	3.9	40,192	1,937
Building material group	9,573,470	4.52	12.2	454,740	9,686
New motor vehicle dealers	22,060,483	10.41	7.7	1,047,873	2,526
Used motor vehicle dealers	1,347,247	.64	5.3	63,994	4,359
Automotive supplies and parts	2,761,454	1.30	1.7	131,169	8,465
Service stations	13,364,195	6.31	−5.2	634,799	13,063
Mobile homes, trailers, and campers	791,555	.37	9.9	37,599	1,281
Boat, motorcycle, and plane dealers	1,246,683	.59	3.1	59,217	2,602
Automotive group	41,571,617	19.62	2.6	1,974,652	32,296
Retail Stores Totals	**$137,754,941**	**65.03%**	**4.8%**	**$6,543,360**	**258,248**
Business and Personal Services	**9,186,326**	**4.34**	**9.4**	**436,350**	**96,886**
All Other Outlets	**64,888,834**	**30.63**	**5.2**	**3,082,220**	**486,496**
Totals All Outlets	**$211,830,101**	**100.00%**	**5.1%**	**$10,061,930** [d]	**841,630**
HISTORICAL DATA					
Comparable data for all outlets:					
1984–85	$201,498,133	–	9.8	$9,571,161	808,549
1983–84	183,572,544	–	15.9	8,719,696	783,718
1982–83	158,434,757	–	2.1	7,525,651	764,815
1981–82	155,124,201	–	4.0	7,368,400	740,577

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 7, 1985 through Aug. 6, 1986.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $220,056,000 and penalties and interest of $49,069,000.

SALES AND USE TAXES

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1985–86

County	Taxable sales of all outlets [a]				State tax (in thousands)	Number of permits on June 30, 1986 [b]
	Taxable sales of retail stores (in thousands)	Amount (in thousands)	Percent of total	Percent change from 1984–85		
1	2	3	4	5	6	7
Alameda	$6,317,451	$10,060,621	4.75%	4.1%	$477,879	37,942
Alpine	3,020	8,633 [c]	— [c]	— [c]	410	62
Amador	90,692	134,131	.06	10.4	6,371	1,280
Butte	758,780	972,028	.46	2.9	46,171	5,331
Calaveras	71,188	101,794	.05	11.1	4,835	1,155
Colusa	57,054	116,644	.05	−2.4	5,541	495
Contra Costa	4,002,168	5,435,116	2.57	7.3	258,168	20,732
Del Norte	53,068	75,762	.04	2.8	3,599	718
El Dorado	439,838	555,679	.26	5.8	26,395	4,438
Fresno	2,910,517	4,034,843	1.90	1.1	191,655	15,953
Glenn	75,362	142,966	.07	16.6	6,791	710
Humboldt	515,762	710,862	.34	3.5	33,766	4,327
Imperial	387,196	571,476	.27	−5.6	27,145	2,917
Inyo	102,529	136,786	.06	1.1	6,497	882
Kern	2,320,498	3,834,663	1.81	2.7	182,146	13,006
Kings	326,155	429,840	.20	−3.4	20,417	1,894
Lake	161,153	223,780	.11	−11.0	10,630	1,533
Lassen	71,109	105,003	.05	9.8	4,988	872
Los Angeles	40,713,938	62,936,963	29.71	4.4	2,989,506	255,216
Madera	229,980	368,690	.17	1.1	17,513	2,054
Marin	1,426,798	1,890,196	.89	7.7	89,784	10,181
Mariposa	25,634	73,487	.03	4.9	3,491	543
Mendocino	355,476	477,497	.22	4.1	22,681	2,921
Merced	555,779	785,003	.37	.2	37,288	3,324
Modoc	28,257	40,022	.02	−3.5	1,901	393
Mono	64,138	92,121	.04	9.4	4,376	588
Monterey	1,625,575	2,160,674	1.02	2.8	102,632	8,797
Napa	489,095	705,560	.33	2.6	33,514	3,502
Nevada	263,433	375,398	.18	6.6	17,831	3,219
Orange	13,338,991	20,813,183	9.82	6.6	988,626	80,286
Placer	828,808	1,104,727	.52	8.3	52,475	5,465
Plumas	69,806	107,284	.05	13.8	5,096	959
Riverside	4,108,688	5,648,636	2.67	8.8	268,310	24,776
Sacramento	5,156,752	7,347,616	3.47	7.6	349,012	25,135
San Benito	91,131	168,330	.08	10.7	7,968	782
San Bernardino	5,189,549	7,278,185	3.44	11.7	345,714	32,103
San Diego	11,235,547	15,945,593	7.53	9.3	757,416	60,369
San Francisco	4,236,835	6,965,091	3.29	2.5	330,842	30,752
San Joaquin	1,888,367	2,686,939	1.27	5.5	127,630	9,798
San Luis Obispo	950,694	1,273,505	.60	5.7	60,491	6,429
San Mateo	3,970,041	6,355,440	3.00	2.6	301,883	21,130
Santa Barbara	1,825,826	2,494,937	1.18	4.4	118,510	12,009
Santa Clara	8,342,593	13,776,661	6.50	−1.5	654,391	44,391
Santa Cruz	1,061,273	1,379,792	.65	5.6	65,540	7,786
Shasta	694,699	932,539	.44	6.7	44,296	4,700
Sierra	5,928	9,536	.01	−4.4	454	143
Siskiyou	150,272	215,020	.10	.7	10,213	1,864
Solano	1,237,315	1,590,085	.75	9.9	75,529	6,226
Sonoma	1,844,367	2,625,794	1.24	5.3	124,725	12,009
Stanislaus	1,517,568	2,131,999	1.01	6.8	101,270	8,439
Sutter	275,761	353,460	.17	5.7	16,789	1,667
Tehama	170,178	226,253	.11	4.5	10,747	1,315
Trinity	28,583	41,765	.02	2.0	1,984	544
Tulare	1,098,499	1,542,328	.73	− .3	73,261	7,219
Tuolumne	174,587	238,017	.11	10.3	11,306	2,004
Ventura	2,933,542	4,037,113	1.91	8.4	191,763	17,405
Yolo	570,269	935,154	.44	5.0	44,420	3,250
Yuba	182,612	249,093	.12	3.9	11,832	1,297
Statewide	134,417	5,799,768	2.74	10.8	275,489	6,402
Totals	$137,754,941	$211,830,101	100.00%	5.1%	$10,061,931 [d]	841,630

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 7, 1985 through Aug. 6, 1986.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Percentage change not shown for Alpine County because its small base, 0.004% of the statewide total, is subject to violent fluctuations that are not regarded as significant.

[d] In addition, the Board assessed state taxes of $220,056,000 and penalties and interest of $49,069,000.

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1985–86

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Alameda County	9,679,087	369,067
Alameda	3,409,334	184,768
Albany	1,087,159	45,093
Berkeley	7,982,512	321,572
Dublin	4,266,670	106,680
Emeryville	2,474,794	52,720
Fremont	10,896,999	441,910
Hayward	14,330,150	418,374
Livermore	2,707,471	135,579
Newark	3,508,613	121,562
Oakland	25,862,240	1,052,670
Piedmont	106,709	19,454
Pleasanton	3,973,233	136,646
San Leandro	11,825,543	328,218
Union City	2,619,724	127,695
Total	104,730,236	3,862,008
Alpine County	97,383	3,729
Amador County	557,548	25,192
Amador	6,788	357
Ione	87,712	5,624
Jackson	507,196	13,600
Plymouth	38,450	1,940
Sutter Creek	194,030	6,438
Total	1,391,724	53,152
Butte County	3,017,644	111,150
Biggs	12,944	2,681
Chico	3,767,270	120,432
Gridley	436,948	14,983
Oroville	1,945,022	51,717
Paradise	885,178	56,476
Total	10,065,006	357,440
Calaveras County	768,083	28,513
Angels	281,341	8,878
Total	1,049,424	37,391
Colusa County	412,779	15,171
Colusa	651,576	19,761
Williams	172,082	6,015
Total	1,236,437	40,947
Contra Costa County	8,042,616	295,515
Antioch	3,076,779	132,572
Brentwood	363,275	14,866
Clayton	87,959	9,222
Concord	13,004,675	408,068
Danville	1,362,691	109,963
El Cerrito	1,794,001	70,990
Hercules	68,824	15,960
Lafayette	1,538,048	70,184
Martinez	1,167,554	65,509
Moraga	415,706	32,749
Orinda [a]	330,925	68,622
Pinole	990,537	42,357
Pittsburg	1,699,871	95,290
Pleasant Hill	4,217,368	117,793
Richmond	5,996,182	241,849
San Pablo	1,462,762	61,146
San Ramon	1,789,47[illegible]	87,510
Walnut Creek	8,948,31[illegible]	258,080
Total	56,357,561	2,198,245
Del Norte County	274,048	9,968
Crescent City	523,533	14,985
Total	797,581	24,953
El Dorado County	2,026,836	77,580
Placerville	1,659,284	41,454
South Lake Tahoe	2,109,415	73,635
Total	5,795,535	192,669
Fresno County	5,071,024	195,151
Clovis	2,650,474	113,393
Coalinga	496,068	21,737
Firebaugh	298,784	12,316
Fowler	203,879	8,812
Fresno	28,992,655	983,772
Huron	101,499	7,998
Kerman	365,292	13,421
Kingsburg	268,967	14,448
Mendota	237,900	15,243
Orange Cove	94,403	9,481
Parlier	104,046	12,031
Reedley	841,907	37,488
Sanger	908,582	38,569
San Joaquin	103,925	5,062
Selma	1,210,578	43,583
Total	41,950,004	1,532,505
Glenn County	729,065	23,530
Orland	404,006	14,920
Willows	378,024	15,287
Total	1,511,095	53,737
Humboldt County	1,435,468	54,807
Arcata	902,944	40,485
Blue Lake	11,658	2,334
Eureka	4,259,265	117,330
Ferndale	66,900	3,739
Fortuna	621,877	24,715
Rio Dell	54,320	5,616
Trinidad	32,125	1,249
Total	7,384,558	250,274
Imperial County	1,250,485	48,035
Brawley	1,012,605	47,661
Calexico	1,179,917	49,872
Calipatria	94,187	6,372
El Centro	2,215,332	85,504
Holtville	131,120	10,236
Imperial	316,331	11,854
Westmorland	59,336	4,130
Total	6,259,313	263,663
Inyo County	544,099	20,651
Bishop	868,325	21,664
Total	1,412,424	42,316
Kern County	13,693,053	542,233
Arvin	282,903	18,390
Bakersfield	20,068,264	595,229
California City	45,314	5,975
Delano	1,183,323	52,969
Maricopa	24,896	2,572
McFarland	77,175	11,825
Ridgecrest	1,542,104	65,482
Shafter	367,404	19,281
Taft	1,098,786	30,244
Tehachapi	1,064,331	23,720
Wasco	430,168	26,440
Total	39,877,721	1,394,359
Kings County	1,073,693	41,538
Avenal	149,495	9,873
Corcoran	557,219	22,360
Hanford	2,225,269	80,812
Lemoore	482,604	28,790
Total	4,488,281	183,372
Lake County	1,262,353	50,700
Clearlake	541,333	32,479
Lakeport	507,512	15,879
Total	2,311,198	99,058
Lassen County	359,937	13,054
Susanville	729,328	24,224
Total	1,089,265	37,278
Los Angeles County	37,374,659	1,430,055
Agoura Hills	959,135	50,492
Alhambra	5,791,281	220,022
Arcadia	5,059,622	172,009
Artesia	1,037,097	42,196
Avalon	332,145	9,586
Azusa	3,078,416	111,431
Baldwin Park	1,679,846	126,198
Bell	1,141,758	65,903
Bellflower	3,441,829	155,861
Bell Gardens	1,202,294	82,548
Beverly Hills	9,746,157	232,458
Bradbury	1,424	1,474
Burbank	11,131,301	339,106
Carson	11,259,281	344,812
Cerritos	13,974,746	328,222
Claremont	1,274,495	79,587
Commerce	10,301,545	207,913
Compton	3,269,579	205,366
Covina	5,103,478	162,192
Cudahy	728,555	45,660
Culver City	9,236,005	367,440
Downey	9,143,088	301,616
Duarte	608,994	43,177
El Monte	7,312,672	282,216
El Segundo	3,260,595	78,584
Gardena	5,111,752	172,294
Glendale	16,873,306	543,914
Glendora	2,816,116	121,532
Hawaiian Gardens	446,320	27,440
Hawthorne	6,005,486	208,326
Hermosa Beach	1,521,358	57,906
Hidden Hills	10,828	3,505
Huntington Park	2,901,972	141,399
Industry	12,694,647	225,126
Inglewood	5,991,737	273,766
Irwindale	1,871,840	36,012
La Canada Flintridge	1,124,818	54,199
La Habra Heights	24,972	8,876
Lakewood	5,649,950	225,404
La Mirada	3,229,797	125,678
Lancaster	6,578,592	206,023
La Puente	1,598,783	82,724
La Verne	1,247,798	66,463
Lawndale	1,521,290	69,610
Lomita	840,477	47,388
Long Beach	25,544,731	1,096,132
Los Angeles	240,418,338	12,432,655
Lynwood	1,825,721	120,480
Manhattan Beach	3,254,037	115,611
Maywood	614,759	50,167
Monrovia	3,172,782	108,816
Montebello	5,461,157	188,538
Monterey Park	3,102,201	153,681
Norwalk	5,790,718	248,398
Palmdale	1,710,073	62,917
Palos Verdes Estates	168,010	27,446
Paramount	3,454,141	128,259
Pasadena	14,926,233	477,562
Pico Rivera	3,497,707	158,794
Pomona	7,563,036	313,573
Rancho Palos Verdes	791,451	96,026
Redondo Beach	5,362,145	196,786
Rolling Hills	17,552	3,812
Rolling Hills Estates	1,357,534	37,521
Rosemead	2,339,127	120,916
San Dimas	1,167,047	67,146
San Fernando	1,712,759	62,064
San Gabriel	2,652,465	101,901
San Marino	335,132	28,678
Santa Fe Springs	11,540,610	227,811
Santa Monica	13,213,280	557,102
Sierra Madre	162,933	21,100
Signal Hill	3,399,164	72,623

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1985–86—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Los Angeles County —Continued		
South El Monte	2,962,705	83,809
South Gate	4,070,622	195,404
South Pasadena	930,428	56,401
Temple City	1,262,810	74,423
Torrance	20,870,073	593,110
Vernon	5,262,141	97,720
Walnut	399,405	37,385
West Covina	7,546,474	281,091
West Hollywood	5,370,217	209,988
Westlake Village	845,446	35,083
Whittier	6,678,517	236,989
Total	656,265,517	27,361,623
Madera County	1,702,473	66,033
Chowchilla	310,137	15,314
Madera	1,810,956	75,840
Total	3,823,566	157,187
Marin County	1,548,201	59,602
Belvedere	52,234	5,002
Corte Madera	1,702,854	42,025
Fairfax	236,199	16,483
Larkspur	1,031,577	38,389
Mill Valley	1,088,341	41,722
Novato	2,482,988	120,372
Ross	39,845	5,422
San Anselmo	640,070	31,768
San Rafael	8,736,005	232,386
Sausalito	1,345,674	36,884
Tiburon	280,865	19,643
Total	19,184,851	649,697
Mariposa County	763,308	28,523
Mendocino County	1,836,538	69,501
Fort Bragg	835,227	24,052
Point Arena	23,042	1,218
Ukiah	1,721,063	52,269
Willits	529,367	16,752
Total	4,945,235	163,792
Merced County	1,894,789	72,855
Atwater	519,902	42,234
Dos Palos	211,306	10,122
Gustine	95,915	7,638
Livingston	138,800	12,808
Los Banos	826,698	35,093
Merced	4,539,765	158,655
Total	8,227,176	339,406
Modoc County	150,562	5,499
Alturas	284,202	10,477
Total	434,764	15,976
Mono County	236,664	9,649
Mammoth Lakes	720,008	24,156
Total	956,672	33,805
Monterey County	3,016,540	113,567
Carmel	1,407,641	32,823
Del Rey Oaks	73,897	4,015
Gonzales	126,286	7,751
Greenfield	174,981	11,796
King City	493,686	19,837
Marina	397,253	52,931
Monterey	4,304,050	125,925
Pacific Grove	920,883	43,549
Salinas	8,672,414	305,089
Sand City	196,349	3,691
Monterey County —Continued		
Seaside	2,483,951	108,401
Soledad	140,648	12,940
Total	22,408,581	842,315
Napa County	2,709,289	100,469
Calistoga	226,674	10,945
Napa	3,677,552	155,683
St. Helena	527,240	18,095
Yountville	131,611	7,569
Total	7,272,367	292,761
Nevada County	2,231,506	85,563
Grass Valley	1,238,129	36,052
Nevada City	391,740	11,423
Total	3,861,375	133,038
Orange County	17,231,598	645,168
Anaheim	29,212,899	911,605
Brea	5,007,802	143,431
Buena Park	8,941,085	269,164
Costa Mesa	18,605,051	474,715
Cypress	2,188,095	109,710
Fountain Valley	3,720,445	159,346
Fullerton	11,181,871	378,435
Garden Grove	10,883,906	409,636
Huntington Beach	15,704,574	577,381
Irvine	14,726,056	393,190
Laguna Beach	1,526,306	57,789
La Habra	3,423,170	140,257
La Palma	557,169	36,743
Los Alamitos	1,547,187	46,462
Newport Beach	9,992,736	286,510
Orange	15,139,428	435,719
Placentia	2,400,838	105,770
San Clemente	1,754,868	82,858
San Juan Capistrano	1,360,383	62,033
Santa Ana	24,174,345	804,077
Seal Beach	1,046,358	63,578
Stanton	1,952,102	81,407
Tustin	5,203,396	160,558
Villa Park	163,645	14,913
Westminster	6,976,715	250,764
Yorba Linda	904,919	76,765
Total	215,526,946	7,177,986
Placer County	3,992,774	152,733
Auburn	1,456,882	40,323
Colfax	231,602	5,795
Lincoln	325,702	14,161
Loomis	172,198	16,633
Rocklin	427,484	22,961
Roseville	4,715,571	134,040
Total	11,322,215	386,646
Plumas County	1,023,532	38,171
Portola	106,589	5,358
Total	1,130,121	43,529
Riverside County	11,134,920	405,693
Banning	1,010,075	45,584
Beaumont	718,264	25,785
Blythe	931,158	29,581
Cathedral City	2,392,960	71,032
Coachella	549,683	30,669
Corona	4,396,287	148,168
Desert Hot Springs	352,852	19,193
Hemet	2,830,299	97,224
Indian Wells	196,786	7,064
Indio	3,074,015	104,366
Lake Elsinore	860,869	30,779
La Quinta	367,912	19,918
Moreno Valley	1,577,846	137,050
Norco	352,111	47,010
Riverside County —Continued		
Palm Desert	2,922,912	76,743
Palm Springs	4,502,761	145,233
Perris	803,165	28,417
Rancho Mirage	1,213,079	34,949
Riverside	17,913,823	625,099
San Jacinto	417,208	25,008
Total	58,718,985	2,154,564
Sacramento County	45,626,985	1,704,545
Folsom	1,100,082	45,748
Galt	329,215	16,678
Isleton	76,077	2,846
Sacramento	29,262,401	1,035,371
Total	76,394,761	2,805,188
San Benito County	676,026	24,137
Hollister	1,004,569	43,354
San Juan Bautista	72,635	3,664
Total	1,753,230	71,155
San Bernardino County	12,738,159	476,508
Adelanto	74,799	7,893
Barstow	2,179,944	72,466
Big Bear Lake	670,819	27,697
Chino	3,013,002	133,046
Colton	3,599,064	103,497
Fontana	3,423,002	142,070
Grand Terrace	230,844	20,755
Loma Linda	678,489	30,230
Montclair	5,102,881	129,619
Needles	410,620	15,200
Ontario	9,043,862	341,716
Rancho Cucamonga	3,147,733	165,446
Redlands	3,636,311	148,291
Rialto	2,343,520	121,703
San Bernardino	16,438,127	513,339
Upland	4,335,525	166,411
Victorville	3,695,584	99,564
Total	74,762,284	2,715,450
San Diego County	13,617,132	521,374
Carlsbad	6,177,008	185,279
Chula Vista	6,828,899	278,190
Coronado	786,855	47,180
Del Mar	466,299	16,869
El Cajon	10,394,661	316,287
Escondido	10,374,328	311,192
Imperial Beach	433,294	49,045
La Mesa	5,975,525	198,084
Lemon Grove	1,621,829	65,227
National City	8,284,720	237,727
Oceanside	4,818,453	238,573
Poway	2,120,856	122,141
San Diego	83,479,554	3,101,835
San Marcos	3,947,182	100,643
Santee	2,977,853	150,771
Vista	2,327,918	114,120
Total	164,632,367	6,054,536
City and County of San Francisco	71,461,533	2,750,185
San Joaquin County	5,373,793	200,903
Escalon	270,316	11,048
Lodi	3,616,083	132,992
Manteca	2,107,937	93,054
Ripon	199,336	12,145
Stockton	14,449,106	551,852
Tracy	1,709,633	69,230
Total	27,726,204	1,071,225

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1985–86—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
San Luis Obispo County	2,389,918	91,188
Arroyo Grande	1,198,282	43,989
Atascadero	1,204,835	53,518
Grover City	480,732	25,306
Morro Bay	789,451	30,401
Paso Robles	1,750,286	52,168
Pismo Beach	488,275	18,785
San Luis Obispo	4,620,175	144,632
Total	12,921,954	459,988
San Mateo County	8,443,702	334,018
Atherton	43,535	14,073
Belmont	1,216,257	62,456
Brisbane	3,064,278	58,807
Burlingame	5,730,126	151,406
Colma	2,127,915	39,323
Daly City	5,800,783	239,761
East Palo Alto	197,545	48,386
Foster City	1,369,900	65,237
Half Moon Bay	527,872	22,396
Hillsborough	88,529	19,851
Menlo Park	3,177,213	103,707
Millbrae	1,505,633	60,545
Pacifica	864,734	77,183
Portola Valley	81,192	8,409
Redwood City	7,794,263	232,381
San Bruno	3,437,972	120,996
San Carlos	2,660,467	91,955
San Mateo	10,320,502	321,930
S. San Francisco	7,950,039	226,141
Woodside	183,471	12,437
Total	66,585,927	2,311,399
Santa Barbara County	6,231,544	244,816
Carpinteria	636,923	30,590
Guadalupe	94,975	9,173
Lompoc	1,852,925	82,078
Santa Barbara	10,265,843	311,864
Santa Maria	6,690,436	199,351
Solvang [a]	520,945	18,689
Total	26,293,590	896,562
Santa Clara County	5,048,342	308,023
Campbell	5,070,936	146,167
Cupertino	5,956,781	167,716
Gilroy	2,800,385	92,707
Los Altos	1,727,755	78,898
Los Altos Hills	64,796	14,261
Los Gatos	3,665,619	112,584
Milpitas	3,822,550	137,760
Monte Sereno	6,467	5,907
Morgan Hill	1,238,888	54,818
Mountain View	9,410,492	265,410
Palo Alto	11,354,860	299,217
San Jose	55,586,391	2,154,989
Santa Clara	20,835,347	524,583
Saratoga	764,672	63,459
Sunnyvale	16,513,649	483,033
Total	143,867,930	4,909,531
Santa Cruz County	3,757,665	141,360
Capitola	1,955,820	49,320
Santa Cruz	5,106,172	166,468
Scotts Valley	984,378	29,649
Watsonville	2,465,913	88,252
Total	14,269,948	475,049
Shasta County	1,815,606	69,798
Anderson	544,939	22,226
Redding	7,310,635	210,525
Total	9,671,180	302,550
Sierra County	63,885	2,371
Loyalton	44,530	2,662
Total	108,416	5,034
Siskiyou County	516,089	19,420
Dorris	24,617	1,911
Dunsmuir	100,760	5,586
Etna	35,691	2,012
Fort Jones	49,667	1,933
Montague	44,320	3,235
Mount Shasta	339,881	10,994
Tulelake	57,010	2,494
Weed	213,870	8,747
Yreka	900,928	27,524
Total	2,282,833	83,857
Solano County	970,597	35,783
Benicia	1,269,630	57,203
Dixon	520,771	25,231
Fairfield	5,558,259	204,902
Rio Vista	378,922	12,696
Suisun	357,056	29,698
Vacaville	2,353,433	125,464
Vallejo	4,891,943	235,828
Total	16,300,611	726,803
Sonoma County	5,848,416	237,789
Cloverdale	223,407	11,257
Cotati	514,815	15,883
Healdsburg	1,294,185	36,300
Petaluma	3,173,659	118,556
Rohnert Park	1,252,754	69,777
Santa Rosa	13,039,653	384,422
Sebastopol	733,173	23,171
Sonoma	839,251	26,333
Total	26,919,313	923,488
Stanislaus County	5,082,181	187,033
Ceres	1,265,318	50,370
Hughson	119,306	7,317
Modesto	11,346,840	413,908
Newman	184,032	8,907
Oakdale	935,024	32,582
Patterson	329,598	13,868
Riverbank	201,178	14,537
Turlock	2,464,471	98,657
Waterford	83,536	6,406
Total	22,011,482	833,586
Sutter County	984,030	38,911
Live Oak	85,650	7,713
Yuba City	2,455,964	79,941
Total	3,525,644	126,566
Tehama County	588,407	21,989
Corning	668,224	20,632
Red Bluff	1,136,313	38,725
Tehama	735	659
Total	2,393,679	82,005
Trinity County	433,929	16,222
Tulare County	4,060,290	155,657
Dinuba	524,006	27,760
Exeter	294,369	16,076
Farmersville	104,289	12,135
Lindsay	386,948	20,988
Porterville	2,063,074	77,103
Tulare	1,867,511	77,992
Visalia	6,612,962	215,958
Woodlake	123,530	11,163
Total	16,036,978	614,833
Tuolumne County	1,787,646	65,070
Sonora	734,677	19,849
Total	2,522,322	84,919
Ventura County	4,193,922	158,425
Camarillo	2,405,998	115,249
Fillmore	425,837	25,031
Moorpark	380,843	30,167
Ojai	513,900	21,976
Oxnard	8,128,706	347,716
Port Hueneme	601,385	44,530
Santa Paula	952,726	54,744
Simi Valley	4,087,823	216,205
Thousand Oaks	9,313,030	321,756
Ventura	10,514,174	328,316
Total	41,518,344	1,664,117
Yolo County	4,942,887	189,283
Davis	1,910,042	102,168
Winters	94,309	6,978
Woodland	2,820,835	104,413
Total	9,768,073	402,842
Yuba County	940,568	35,737
Marysville	1,561,412	45,182
Wheatland	37,883	3,474
Total	2,539,863	84,393
Amounts distributed to:		
City and County of San Francisco	71,461,533	2,750,185
Counties other than San Francisco	273,274,270	10,489,026
Cities other than San Francisco	1,794,613,019	67,640,214
Grand totals	2,139,348,822	80,879,425

Note: Detail may not add to total due to rounding.

[a] During the fiscal year, sales tax ordinances went into effect in two newly incorporated cities. Those cities, the effective date of their sales tax ordinances and the number of months of sales tax distributions they received during 1985–86 are as follows:

Orinda; October 1, 1985; 7 months
Solvang; July 1, 1985; 10 months

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1985–86

County	Revenue distributed [b]	County	Revenue distributed [b]	County	Revenue distributed [b]
1	2	1	2	1	2
Alameda	$26,234,598	Marin	$4,806,996	San Mateo	$16,615,714
Alpine	24,606	Mariposa	192,317	Santa Barbara	6,567,618
Amador	345,209	Mendocino	1,235,998	Santa Clara	35,966,027
Butte	2,515,537	Merced	2,051,961	Santa Cruz	3,566,883
Calaveras	261,690	Modoc	109,386	Shasta	2,413,049
Colusa	309,651	Mono	242,553	Sierra	27,698
Contra Costa	14,183,110	Monterey	5,636,998	Siskiyou	571,597
Del Norte	199,439	Napa	1,810,479	Solano	4,069,520
El Dorado	1,445,180	Nevada	966,223	Sonoma	6,736,048
Fresno	10,495,474	Orange	53,917,104	Stanislaus	5,508,189
Glenn	376,317	Placer	2,833,236	Sutter	883,096
Humboldt	1,844,655	Plumas	282,654	Tehama	599,884
Imperial	1,577,253	Riverside	14,656,377	Trinity	107,990
Inyo	352,531	Sacramento	19,130,523	Tulare	4,002,979
Kern	9,945,998	San Benito	437,469	Tuolumne	628,376
Kings	1,127,357	San Bernardino	18,691,850	Ventura	10,379,601
Lake	578,946	San Diego	41,167,887	Yolo	2,441,696
Lassen	273,527	San Francisco	17,870,270	Yuba	640,227
Los Angeles	164,296,196	San Joaquin	6,933,674		
Madera	954,766	San Luis Obispo	3,229,365	Total	$535,271,552

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $4,393,988. No administrative charge was authorized during 1985–86 for the Business and Transportation Agency.

TABLE 21C—REVENUES DISTRIBUTED TO TRANSIT DISTRICTS FROM TRANSACTIONS AND USE TAX, 1985–86
(in thousands of dollars)

District	Revenue distributed [a]
1	2
Bay Area Rapid Transit District [b]	$117,935,745
Los Angeles County Transportation Commission [c]	305,926,591
San Mateo County Transit District [d]	27,495,513
Santa Clara County Traffic Authority [e]	64,530,256
Santa Clara County Transit District [f]	66,705,013
Santa Cruz Metropolitan Transit District [g]	7,473,080
Total	$590,066,198

[a] These are actual payments to the transit districts and exclude administrative charges of $9,722,619.

[b] This one-half of one percent tax became effective April 1, 1970 in the counties of Alameda, Contra Costa, and San Francisco. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table 2, footnote d.) The BARTD figures above include MTC allocations. For 1985–86, BARTD received direct allocations of $84,321,517 and $33,704,228 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $10,826,712; San Francisco Municipal Railway, $21,550,000; and BARTD, $1,327,516.

[c] This one-half of one percent tax became effective July 1, 1982 in Los Angeles County. The one-half of one percent Southern California Rapid Transit District Sales Tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[d] This one-half of one percent tax became effective July 1, 1982 in San Mateo County.

[e] This one-half of one percent tax became effective April 1, 1985 in Santa Clara County.

[f] This one-half of one percent tax became effective October 1, 1976 in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979 in Santa Cruz County.

TABLE 22A—LOCAL SALES TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1985–86

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]		Total		
		To counties [c]	To cities			
1	2	3	4	5	6	7
1985–86	$535,272	$344,736	$1,794,613	$2,674,621	.82	$22,045
1984–85	500,230	342,520	1,659,278	2,502,028	.82	20,972
1983–84	447,671	312,547	1,478,733	2,238,951	.82	18,751
1982–83	391,367	282,212	1,279,151	1,952,730	.82	16,613
1981–82	392,756	289,469	1,282,420	1,964,645	.82	16,433
1980–81	361,888	272,741	1,176,000	1,810,629	.82	15,253
1979–80	340,922	255,372	1,108,417	1,704,711	.82	14,181
1978–79	296,051	220,403	962,997	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	539,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,986	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,652
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,162
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,145 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ½ of one percent; see Table 22B.

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $4,393,988 in 1985–86.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,825,750 discussed in the previous footnote.

TABLE 22B—TRANSIT DISTRICT TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES, 1969–70 TO 1985–86
(in thousands of dollars)

Fiscal year	Net amount distributed	Administrative charge
1	2	3
1985–86	$590,066	$9,723
1984–85	495,958	8,197
1983–84	445,738	7,331
1982–83	349,385	5,233
1981–82	142,505	2,252
1980–81	114,621	2,061
1979–80	119,728	1,911
1978–79	87,103	1,587
1977–78	80,680	1,404
1976–77	60,176	986
1975–76	42,424	713
1974–75	40,023	669
1973–74	35,613	599
1972–73	31,343	585
1971–72	28,325	577
1970–71	60,860	1,333
1969–70	1,570	298

TABLE 23—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JULY 1, 1986

County	City rate [a]	Cities
1	2	3
Alameda	1.00	Dublin/Livermore/San Leandro
	.95	All other cities
Alpine	—	No incorporated cities
Amador	1.00	All cities
Butte	1.00	All cities
Calaveras	.95	Angels
Colusa	1.00	All cities
Contra Costa	.975	All cities
Del Norte	1.00	All cities
El Dorado	1.00	All cities
Fresno	.99	Fresno
	1.00	All other cities
Glenn	1.00	All cities
Humboldt	1.00	All cities
Imperial	1.00	All cities
Inyo	1.00	All cities
Kern	1.00	All cities
Kings	.95	Hanford
	.98	All other cities
Lake	1.00	All cities
Lassen	1.00	All cities
Los Angeles	1.00	All cities
Madera	1.00	All cities
Marin	1.00	All cities
Mariposa	—	No incorporated cities
Mendocino	1.00	All cities
Merced	.925	Merced
	.95	Los Banos
	1.00	All other cities
Modoc	.90	Alturas
Mono	1.00	Mammoth Lakes
Monterey	1.00	All cities
Napa	.855	All cities
Nevada	1.00	All cities
Orange	1.00	All cities
Placer	1.00	All cities
Plumas	.95	Portola
Riverside	1.00	All cities
Sacramento	1.00	All cities
San Benito	1.00	All cities
San Bernardino	1.00	All cities
San Diego	1.00	All cities
San Francisco	1.00	—
San Joaquin	1.00	All cities
San Luis Obispo	1.00	All cities
San Mateo	.95	All cities
Santa Barbara	1.00	All cities
Santa Clara	1.00	All cities
Santa Cruz	1.00	All cities
Shasta	1.00	All cities
Sierra	.95	Loyalton
Siskiyou	1.00	All cities
Solano	1.00	All cities
Sonoma	.975	All cities
Stanislaus	.95	Modesto/Turlock
	.985	Ceres
	1.00	All other cities
Sutter	1.00	All cities
Tehama	1.00	Tehama
	.90	All other cities
Trinity	—	No incorporated cities
Tulare	.95	All cities
Tuolumne	.95	Sonora
Ventura	1.00	Ojai
	.967	All other cities
Yolo	1.00	All cities
Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

MOTOR VEHICLE FUEL TAXES

TABLE 24—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1985–86

Fiscal year	Gasoline				Jet fuel tax	
	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1985–86	11,878,619	$1,083,986	$12,562	137	39,255	$845
1984–85	11,642,880	1,054,864	13,911	147	41,617	884
1983–84	11,378,375	1,027,740 [c]	19,086	154	41,025	845
1982–83	10,941,848	877,130 [c]	17,139 [d]	145	37,471	703
1981–82	11,015,230	770,628 [d]	27,572	131	40,435	860
1980–81	11,185,862	787,106	25,987	102	43,713	891
1979–80	11,316,801	800,012	24,451	94	50,225	988
1978–79	11,916,829	835,947	21,716	77	46,422	915
1977–78	11,571,520	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,805	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	48	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,939,785	641,268 [e]	13,437	52	8,057 [f]	163 [f]
1968–69	8,494,055	601,783 [e]	14,596	53	—	—
1967–68	8,037,505	564,038	14,012	63	—	—
1966–67	7,649,736	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [g]	17,234	63	—	—
1964–65	7,041,337	510,954 [g]	15,981	61	—	—
1963–64	6,732,890	454,126 [h]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,532	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [i]	337,588 [i]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,693	307,038	20,531	94	—	—
1956–57	4,932,752	295,982	20,786	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	255,305 [j]	26,068	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	592,832 [k]	—	107		
1940–45	9,167,652	275,029	—	122	—	—
1935–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,593	139,925 [l]	—	82	—	—
1923–25	1,259,474	24,938 [m]	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1986 there were 108 fully-licensed distributors who incurred no tax liabilities during the year.

[c] Effective January 1, 1983, the tax rate was increased from 7 cents to 9 cents per gallon. Receipts from the two cents per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $3,456,000 in 1982–83 and $169,000 in 1983–84 including interest and penalties.

[d] A revision in the Revenue and Taxation Code effective January 1, 1982, allows a taxpayer to offset tax-paid exports against incurred tax liability instead of filing a claim for refund on such exports. Net revenue, over time, should not be affected by this revision.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $15.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[f] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $18.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,108,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[h] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,267, including interest and penalties.

[i] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 26.)

[j] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[k] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $680,000, including interest and penalties.

[l] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[m] The motor vehicle fuel tax was first imposed October 1, 1923 at a rate of two cents per gallon.

TABLE 25—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1984–85 AND 1985–86

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1984–85	1985–86	1984–85	1985–86
1	2	3	4	5
Allied Petroleum Company, Incorporated	2,040	1,841	$184	$166
Astroline Pacific, Incorporated	1,679	596	151	54
Atlantic Richfield Company	1,828,865	1,963,961	164,598	176,756
Beacon Oil Company	314,708	292,433	28,324	26,319
Berry-Hinckley Terminal Company, Incorporated	947	862	85	77
Bi-State Petroleum	1,540	1,701	139	153
Cal Jet, Incorporated	–	809	–	73
Champlin Petroleum Company	158,514	228,533	14,266	20,568
Chevron USA, Incorporated	1,767,045	1,828,665	159,034	164,580
Clough Oil Company	636	540	57	49
Conoco, Incorporated	1,681	6,261	151	563
Crawford Petroleum	410	533	37	48
Douglas Oil Company of California	125,495	86,185	11,295	7,757
EZ Serve of California	1,121	528	101	48
Ed Staub & Sons Petroleum, Incorporated	987	1,085	89	98
Edgington Oil Company, Incorporated	36,018	29,858	3,242	2,687
Eureka Fuel Company	2,098	1,579	189	142
Exxon Corporation	594,463	754,483	53,502	67,903
Fletcher Oil & Refining Company	30,944	108,430	2,785	9,759
Ford Motor Company	2,648	2,926	238	263
Golden Gate Petroleum Company	33,320	62,997	2,999	5,670
Golden West Refining Company	382,613	335,074	34,435	30,157
Gotco NV	–	2,119	–	191
Huntway Refining Company	2,743	4,122	247	371
Jaco Oil Company	555	598	50	54
Kern Oil & Refining Company	45,231	57,258	4,071	5,153
Koch Refining	–	12,401	–	1,116
Lee Chambers Petroleum	882	943	79	85
Lockheed Air Terminal	563	564	51	51
MT Transportation	415	1,533	37	138
MacMillan Ring Free Oil Company, Incorporated	9,696	13,782	873	1,240
Mobil Oil Corporation	940,163	913,095	84,615	82,178
Mohave Oil Company	694	784	62	70
Natomas Trading	–	6,671	–	600
Newhall Refining Company, Incorporated	20,365	19,573	1,833	1,762
Norris Supply Company, Incorporated	797	836	72	75
Oxbow Resources	6,540	19,130	589	1,722
Pacific Refining Company	87,444	32,849	7,870	2,956
Paramount Petroleum Corporation	31,972	71,748	2,877	6,457
Petroleum Exchange, Incorporated	27,314	2,883	2,458	259
Phillips Petroleum Company	45,559	13,850	4,100	1,247
River City Petroleum, Incorporated	1,581	575	142	52
Shell Oil Company	1,626,702	1,641,050	146,403	147,694
Sherman Petroleum	26	1,068	2	96
Snobird, Incorporated	1,090	1,187	98	107
Texaco Refining and Marketing	419,308	882,919	37,738	79,463
Time Oil Company	20,134	16,032	1,812	1,443
Tosco Corporation	569,385	510,253	51,245	45,923
Trek Petroleum	907	749	82	67
UPG Incorporated	–	11,694	–	1,052
USA Petroleum	72,315	1,054	6,508	95
Union Oil Company of California	1,534,005	1,541,485	138,060	138,734
Vitol, S.A.	–	5,945	–	535
Western Energetix Corporation	1,381	1,407	124	127
Wickland Oil Terminals	234,365	295,056	21,093	26,555
Willbarb Petroleum Carriers, Incorporated	2,355	1,395	212	125
World Oil Company	60,945	72,928	5,485	6,564
80 Other distributors paying less than $40,000 in 1985–86	591,119	8,456	53,201	761
Adjustments	(1,443)	727	6,874	14,976
Total	11,642,880	11,878,619	$1,054,864	$1,083,986

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $12,562,000 in 1985–86 and $13,911,000 in 1984–85 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

MOTOR VEHICLE FUEL TAXES

TABLE 26—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1985–86

Fiscal year	Taxable distributions (in thousands of gallons)	Total tax [a] (in thousands)	Self-assessed taxes (in thousands)		Active permits on December 31		Tax paid at reduced rate by transit districts (in thousands) [c]
	Diesel		Diesel	LPG [b]	Users	Vendors	
1	2	3	4	5	6	7	8
1985–86	1,525,237	$134,964	$130,297	$2,699	72,745	3,318	$872
1984–85	1,466,586 [r]	129,397	125,685 [r]	2,988	68,153	3,233	788
1983–84	1,424,584 [r]	125,986	121,711	3,020	58,526	3,109	813
1982–83	1,257,607 [r]	97,834	94,059 [d,r]	3,053 [r]	56,315	2,969	748
1981–82	1,184,334 [r]	81,773	78,206 [r]	3,028 [r]	54,615	2,738	783
1980–81	1,179,810	81,769	78,635	2,749	50,870	2,461	659
1979–80	1,162,560 [r]	80,144	77,537	2,184 [r]	46,324	2,132	637
1978–79	1,104,046	75,530	73,545	1,611	42,971	1,916	624
1977–78	987,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,487	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,981	45,155	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511 [e]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597 [e]	774	22,430	1,376	312 [f]
1967–68	477,249	34,375	33,407	814	20,843	1,360	—
1966–67	435,900	31,480	30,513	829	19,507	1,315	—
1965–66	419,286	31,214	30,054 [g]	1,028 [g,h]	18,038	1,256	—
1964–65	387,014	29,465	28,098 [g]	1,211 [g]	17,391	1,216	—
1963–64	358,995	26,532	25,129	1,274 [i]	16,238	1,217	—
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	—
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	—
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	—
1959–60	280,157	20,837	19,609	1,094 [j]	12,451	1,109	—
1958–59	267,247	18,812	18,694	—	10,192	801	—
1957–58	246,711	17,454	17,270	—	9,807	773	—
1956–57	237,481	16,826	16,624	—	9,530	862	—
1955–56	226,448	16,018	15,850	—	8,877	825	—
1954–55	202,406	14,323	14,172	—	8,182	853	—
1953–54	183,043	12,873	12,738 [k]	—	7,441	751 [l]	—
1952–53	174,026	7,946	7,831	—	6,197	—	—
1951–52	150,683	6,885	6,780	—	5,166	—	—
1950–51	131,562	6,023	5,920	—	4,244	—	—
1945–50	406,708	16,527	16,238 [m]	—	2,610	—	—
1940–45	205,397	6,235	6,162	—	1,051	—	—
1937–40	38,625	1,178	1,159 [n]	—	n.a.	—	—

[a] Includes interest and penalties which amounted to $1,896,000 during the 1985–86 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $1,149,000 during 1985–86, 42.6 percent of LPG taxes.

[c] These amounts are also included in columns 3 and 4.

[d] Effective January 1, 1983, the tax rate on diesel fuel was increased from 7 cents to 9 cents per gallon.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $837,000 during the 1969–70 year.

[f] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[h] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[i] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[j] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[k] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[l] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[m] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[n] This tax became effective July 1, 1937 at a rate of 3 cents per gallon on diesel and other fuels not subject to the motor vehicle fuel tax.

[r] Revised.

n.a. Not available.

ALCOHOLIC BEVERAGE TAX

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1985–86 [a]

(In thousands of dollars)

Fiscal year	Beer	Wine			Distilled spirits	Total
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1985–86	$25,665	$1,114	$167	$3,447	$102,097	$132,490 [b]
1984–85	25,146	1,017	156	3,243	105,497	135,059
1983–84	25,017	981	162	3,201	107,128	136,489
1982–83	24,043	957	168	2,742	108,786	136,696
1981–82	24,674	928	167	2,470	112,146	140,385
1980–81	24,707	899	167	2,293	114,999	143,065
1979–80	23,300	836	175	1,973	113,311	139,596
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	755	210	1,643	111,194	134,753
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	262	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,965
1968–69	12,743	316	286	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,442	169	345	313	45,283	55,552
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,925
1956–57	3,847	105	331	181	34,784	39,248
1955–56	3,803	104	326	151 [e]	31,518 [f]	35,902
1954–55	3,656	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91 [i]	40,276 [j]	50,016
1932–35 [k]	2,397	—	479 [l]	—	—	2,876

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] Additional details for 1985–86 are as follows:

	Beer and wine	Distilled spirits
Collections based on audits	$16,005	$166,193
Transactions omitted from table:		
Refunds	43,901	66,160
Interest and penalties	19,532	38,465

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,009,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1953, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,120,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Beginning July 1, 1935, tax on sparkling wine and champagne was imposed at 3 cents per pint.

[j] The excise tax on distilled spirits was first imposed July 1, 1935 at a rate of 80 cents per gallon.

[k] The alcoholic beverage tax was first effective April 6, 1933 at a rate of 2 cents per gallon on beer and wine.

[l] Includes all types of wines. The tax rate was 2 cents per gallon on all wine and the different types were not reported separately.

ALCOHOLIC BEVERAGE TAX

TABLE 28—APPARENT CONSUMPTION [a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1985–86

(In thousands of gallons)

Fiscal year	Beer [b]	Wine			Total wine consumption	Distilled spirits
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1985–86	634,915	111,358	8,344	11,489	131,191	51,048
1984–85	626,426	101,671	7,821	10,809	120,301	52,748
1983–84	623,174	98,131	8,099	10,670	116,900	53,564
1982–83	598,790	95,718	8,416	9,141	113,275	54,393
1981–82	610,873	92,815	8,374	8,232	109,421	56,073
1980–81	610,689	89,931	8,339	7,642	105,912	57,500
1979–80	581,381	83,621	8,745	6,617	98,983	56,656
1978–79	564,280	81,495	9,507	6,175	97,177	56,665
1977–78	528,724	75,538	10,489	5,475	91,502	55,597
1976–77	506,034	68,985	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	298,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,835	21,790	16,131	1,629	39,550	36,102
1963–64	261,145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,239	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951. Prior to July 1951, such distributions were taxable. Effective January 1, 1980, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1985–86

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1985–86	26,637,000	23.84	4.93	1.92
1984–85	26,079,000 [r]	24.02 [r]	4.61 [r]	2.02 [r]
1983–84	25,414,000	24.52	4.60	2.11
1982–83	24,944,700	24.00	4.54	2.18
1981–82	24,469,500	24.96	4.47	2.29
1980–81	23,992,900	25.45	4.41	2.40
1979–80	23,534,000	24.70	4.21	2.41
1978–79	23,072,000	24.46	4.21	2.46
1977–78	22,610,000	23.38	4.05	2.46
1976–77	22,164,000	22.83	3.80	2.38
1975–76	21,756,000	21.70	3.76	2.42
1974–75	21,374,000	21.55	3.56	2.37
1973–74	21,036,000	20.49	3.50	2.39
1972–73	20,737,000	19.53	3.55	2.33
1971–72	20,470,000	19.33	3.26	2.32
1970–71	20,193,000	17.67	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.98
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces; see Table 28 footnote b.
[r] Revised.

CIGARETTE TAX

TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1985–86

(In thousands of dollars)

Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties
1	2	3	4	5	6
1985–86	$257,650	$2,202	$259,852	$2,834	$77,443
1984–85	262,470	2,244	264,714	2,390	78,861
1983–84	265,788	2,271	268,059	2,756	78,969
1982–83	271,138	2,314	273,452	2,060	81,486
1981–82	276,262	2,362	278,624	1,843	83,047
1980–81	274,885	2,349	277,234	1,567	82,465
1979–80	272,053	2,327	274,380	1,645	81,616
1978–79	268,816	2,303	271,805	1,369	80,645
1977–78	274,102	2,348	276,005	1,239	82,231
1976–77	269,385	2,309	272,015	832	80,815
1975–76	268,610	2,303	270,913	927	80,583
1974–75	261,975	2,246	264,346	745	78,593
1973–74	258,921	2,220	262,688	632	77,676
1972–73	253,602	2,174	255,774	626	76,081
1971–72	246,351	2,112	248,181	677	73,904
1970–71	239,195	2,051	241,870	552	71,764
1969–70	235,901	2,022	238,835	455	70,762
1968–69	237,159	2,032	239,376	492	71,140
1967–68	205,985 [d,e]	1,786	209,654	356	52,059 [d]
1966–67	75,597	1,543	77,130	136	—
1965–66	74,578	1,522	76,334	92	—
1964–65	74,477	1,520	75,948	56	—
1963–64	71,822	1,468	73,391	77	—
1962–63	70,194	1,437	71,836	79	—
1961–62	66,054	1,391	69,557	58	—
1960–61	66,024 [g]	1,675 [f]	67,372	76	—
1959–60	64,805 [h]	767 [i]	64,805	27	—

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1986, this amounted to $20,647,267 and on June 30, 1985, it amounted to $20,155,294.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967, and $4,889,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $324,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959, and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

CIGARETTE TAX

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1985–86

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1985–86	2,697	2,599	98	101.3
1984–85	2,755	2,647	108	105.6
1983–84	2,798	2,681	117	110.1
1982–83	2,863	2,735	128	114.8
1981–82	2,922	2,786	136	119.4
1980–81	2,913	2,772	141	121.4
1979–80	2,892	2,744	148	122.9
1978–79	2,875	2,718	157	124.6
1977–78	2,926	2,760	166	129.4
1976–77	2,892	2,720	172	130.5
1975–76	2,896	2,709	187	133.1
1974–75	2,836	2,643	193	132.7
1973–74	2,834	2,627	207	134.7
1972–73	2,755	2,546	209	132.9
1971–72	2,714	2,499	215	132.6
1970–71	2,630	2,419	211	130.2
1969–70	2,588	2,387	201	129.9
1968–69	2,600	2,393	207	132.2
1967–68	2,688	2,475	213	138.8
1966–67	2,735	2,571	164	143.6
1965–66	2,703	2,544	159	144.8
1964–65	2,677	2,532	145	146.6
1963–64	2,577	2,446	131	145.0
1962–63	2,534	2,398	136	147.2
1961–62	2,449	2,319	130	147.2
1960–61	2,370	2,246	124	147.1
1959–60	2,176	2,071	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.

INSURANCE TAX

TABLE 31—1985 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1986, BY COMPANY

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
FIRE AND CASUALTY INSURERS		
Aetna Casualty and Surety Company (The)	$413,218	$9,627,989
Allendale Mutual Insurance Company	61,430	1,431,310
Allstate Insurance Company	994,736	23,177,819
American Home Assurance Company	63,216	1,472,926
American Motorists Insurance Company	129,375	3,014,438
American National Fire Insurance Company	120,304	2,803,091
Argonaut Insurance Company	107,180	2,497,303
Associated Indemnity Corporation	142,032	3,309,353
California Casualty Indemnity Exchange	100,387	2,339,026
California Casualty Insurance Company	61,963	1,443,794
California State Automobile Association Inter-Insurance Bureau	656,159	15,288,501
Continental Casualty Company	107,828	2,512,397
Continental Insurance Company (The)	227,988	5,312,132
Doctors' Company, an Interinsurance Exchange (The)	71,367	1,662,857
Employers Insurance of Wausau, a Mutual Company	124,392	2,898,326
Enterprise Insurance Company	71,478	1,665,432
Fairmont Insurance Company	73,474	1,711,946
Farmers Insurance Exchange	841,472	19,606,308
Federal Insurance Company	210,000	4,892,995
Fire Insurance Exchange	276,033	6,431,567
Fireman's Fund Insurance Company	506,439	11,800,023
Fremont Indemnity Company	300,550	7,002,826
Government Employees Insurance Company	115,685	2,695,463
Great American Insurance Company	65,422	1,720,239
Hartford Accident and Indemnity Company	259,955	6,056,956
Hartford Fire Insurance Company	81,522	1,899,456
Home Insurance Company (The)	115,659	2,694,861
Industrial Indemnity Company	455,476	10,612,586
Insurance Company of North America	296,395	6,906,012
Insurance Company of the West	84,902	1,978,217
Inter-Insurance Exchange of the Automobile Club of Southern California	642,535	14,971,064
Liberty Mutual Fire Insurance Company	258,286	6,018,073
Liberty Mutual Insurance Company	72,573	1,690,944
Maryland Casualty Company	61,118	1,424,039
Mayflower Insurance Company, Limited (The)	34,819	1,490,551
Mercury Casualty Company	138,714	3,232,048
Mid-Century Insurance Company	270,942	6,312,953
Mission Insurance Company	78,295	1,824,265
National Surety Corporation	97,826	2,279,352
National Union Fire Insurance Company of Pittsburgh, Pennsylvania	406,843	9,479,442
Nationwide Mutual Insurance Company	120,377	3,087,358
Ohio Casualty Insurance Company (The)	63,331	1,640,374
Pacific Employers Insurance Company	157,006	3,658,249
Pacific Indemnity Company	94,630	2,204,875
Progressive Casualty Insurance Company	91,551	2,295,704
Republic Indemnity Company of America	100,282	2,336,576
Royal Indemnity Company	67,131	1,564,142
Royal Insurance Company of America	115,350	2,767,783
SAFECO Insurance Company of America	243,621	5,676,380
St. Paul Fire and Marine Insurance Company	109,517	2,551,740
Southern California Physicians Insurance Exchange	85,595	1,994,356
State Compensation Insurance Fund	514,167	11,980,099
State Farm Fire and Casualty Company	727,924	17,038,330
State Farm Mutual Automobile Insurance Company	1,297,851	30,239,933
Transamerica Insurance Company	144,438	3,365,397
Transportation Insurance Company	76,906	1,791,905
Travelers Indemnity Company (The)	265,700	6,190,802
Truck Insurance Exchange	263,926	6,149,470
Twentieth Century Insurance Company	298,485	6,954,695
Unigard Security Insurance Company	67,397	1,570,342
United Pacific Insurance Company	124,922	2,910,692
United Services Automobile Association	184,323	4,294,718
United States Fidelity and Guaranty Company	105,426	2,456,434
West American Insurance Company	148,998	3,471,660
Western Employers Insurance Company	75,790	1,765,916
Zenith Insurance Company	116,984	2,725,721
617 other fire and casualty insurers [a]	6,375,295	151,009,381
Totals for fire and casualty insurers	$21,234,933	$498,881,912

[a] Each having a total tax of less than $1,400,000.

TABLE 31—1985 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1986, BY COMPANY—Concluded

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$358,681	$8,343,108
Allstate Life Insurance Company	152,792	3,391,055
American General Group Insurance Company	63,591	1,583,439
American National Insurance Company	55,879	1,369,621
Bankers Life Company	143,532	3,062,447
Cal-Farm Life Insurance Company	60,421	1,369,895
California-Western States Life Insurance Company	152,754	3,502,869
Connecticut General Life Insurance Company	237,054	5,182,389
Connecticut Mutual Life Insurance Company (The)	52,148	1,127,421
Continental Assurance Company	96,892	2,208,920
Crown Life Insurance Company	112,249	2,585,275
Equitable Life Assurance Society of the United States (The)	319,868	5,490,942
Equitable Variable Life Insurance Company	98,245	2,282,651
Executive Life Insurance Company	311,105	6,111,642
Farmers New World Life Insurance Company	65,177	1,465,856
Fireman's Fund American Life Insurance Company	86,854	2,021,522
Fireman's Fund Employers Insurance Company	49,664	1,157,183
First Farwest Life Insurance Company	49,557	1,154,674
General American Life Insurance Company	84,901	1,872,956
Great Republic Insurance Company	53,527	1,247,167
Great-West Life Assurance Company	72,295	1,451,947
Guardian Life Insurance Company of America (The)	70,605	1,617,228
E. F. Hutton Life Insurance Company	51,034	1,155,069
Jackson National Life Insurance Company	65,400	1,539,881
John Hancock Mutual Life Insurance Company	129,688	2,913,930
Keystone Provident Life Insurance Company	58,485	1,360,599
Life Insurance Company of North America	56,898	1,307,001
Lincoln National Life Insurance Company (The)	171,332	3,955,105
Manufacturers Life Insurance Company (The)	86,767	1,873,544
Massachusetts Indemnity and Life Insurance Company	94,060	2,191,405
Massachusetts Mutual Life Insurance Company	143,628	2,812,841
Metropolitan Life Insurance Company	745,917	7,480,157
Monarch Life Insurance Company	81,779	1,898,031
Mutual Benefit Life Insurance Company (The)	88,682	1,939,567
Mutual Life Insurance Company of New York (The)	87,120	2,003,301
Mutual of Omaha Insurance Company	76,092	1,772,949
NN Investors Life Insurance Company, Incorporated	50,163	1,165,449
National Home Life Assurance Company	77,073	1,795,769
New England Mutual Life Insurance Company	79,413	1,668,982
New York Life Insurance and Annuity Corporation	51,771	1,199,159
New York Life Insurance Company	595,840	9,877,139
Northwestern Mutual Life Insurance Company (The)	109,623	2,383,549
Northwestern National Life Insurance Company	68,166	1,558,168
Pacific Mutual Life Insurance Company	289,041	5,415,774
Provident Life and Accident Insurance Company	99,922	2,309,281
Prudential Insurance Company of America (The)	853,660	14,008,550
SAFECO Life Insurance Company	46,455	1,076,543
Sovereign Life Insurance Company of California	43,944	1,023,898
Standard Insurance Company	73,068	1,687,896
State Farm Life Insurance Company	88,988	1,605,586
Transamerica Occidental Life Insurance Company	432,470	8,973,218
Travelers Insurance Company (The)	353,033	7,052,872
Union Labor Life Insurance Company (The)	120,321	2,799,642
Unionmutual Stock Life Insurance Company of America	85,128	1,982,476
United American Insurance Company	56,617	1,319,175
United Insurance Company of America	62,859	1,464,608
United of Omaha Life Insurance Company	100,584	2,279,059
United Pacific Life Insurance Company	45,751	1,065,908
554 other life insurers [b]	3,266,508	73,220,326
Totals for life insurers	$11,735,071	$240,736,614 [c]
Totals for fire and casualty insurers	21,234,933	498,881,912 [c]
Totals for title insurers	421,441	9,878,721 [c]
Totals for all insurers	$33,391,445	$749,497,247

[b] Each having a total tax of less than $1,000,000.

[c] Retaliatory taxes of $4,108,085 for fire and casualty insurers, $1,355,080 for life insurers and $59,134 for title insurers have been included in the assessments by company.

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1985 AND 1986 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1984 business		Assessments on 1985 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	755	$381,080,644	760	$498,881,912	30.9%
Life	677	217,782,743	693	240,736,614	10.5
Title	24	9,227,122	23	9,878,721	7.1
Subtotals	1,456 [b]	608,090,509 [b]	1,476 [c]	749,497,247 [c]	23.3
Ocean marine	38	85,824	51	149,821	74.6
Totals	1,494	$608,176,333	1,527	$749,647,068	23.3%
Adjustments:					
Deficiency assessments	168 [d]	50,544,202 [d]	318 [e]	52,517,578 [e]	—
Refunds and cancellations	30	2,936,775	18	3,948,853	—
Net adjustments	198	47,607,427	336	48,568,725	—
Grand totals	1,692	$655,783,760	1,863	$798,215,793	21.7%

[a] Includes self-assessments and board-assessments against companies licensed to write insurance on California risks.

[b] Includes 158 returns that reported no premiums tax liability and 154 retaliatory tax assessments totaling $5,087,637.

[c] Includes 165 returns that reported no premiums liability and 166 retaliatory tax assessments totaling $5,322,299.

[d] Includes 110 assessments by the State Controller in the amount of $282,097. Also includes 14 assessments in the amount of $50,262,105 made against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans.

[e] Includes 136 assessments by the State Controller in the amount of $2,094,669.

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911–15 TO 1986 [a]

Year of assessment	Number of assessments [b]	Gross premiums tax rate (percent)	Taxes assessed on premiums [c]	Local property tax credits allowed	Taxes assessed on underwriting profits: ocean marine [d]	Total taxes assessed
1	2	3	4	5	6	7
1986	1,196 [e]	2.33	$798,065,972	—	$149,821	$798,215,793
1985	1,182	2.33	655,697,936	—	85,824	655,783,760
1984	1,174	2.33	584,542,259 [f]	—	66,928	584,609,187
1983	1,144	2.33	460,219,302 [g]	—	183,981	460,403,283
1982	1,106	2.35	472,705,232	—	225,083	472,930,315
1981	1,064	2.35	448,622,737	—	145,962	448,768,699
1980	1,065	2.35	429,479,576	—	100,375	429,579,951
1979	1,038	2.35	396,871,905	—	144,456	397,016,361
1978	1,008	2.35	363,665,780	—	74,843	363,740,623
1977	984	2.35	299,712,880	— [h]	37,018	299,749,898
1976	967	2.35	248,537,130	$17,840,567	23,124	230,719,687
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,308	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [i]	4,979,745	38,516	85,532,580 [i]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [j]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1951–1955	3,971	2.35	173,274,339 [k]	7,373,849	488,856	166,389,346 [k]
1946–1950	3,790	[l]	101,734,147	4,178,399	454,383	98,010,131
1941–1945	3,400	[l]	58,111,232	5,777,662	139,007	52,472,577
1936–1940	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–1935	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–1930	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921–1925	2,129	2.60	20,170,810	1,460,622	—	18,710,188
1916–1920	1,664	2.00	7,257,013	272,834	—	6,984,179
1911–1915	1,490	[m]	3,893,525	169,848	—	3,723,677

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 166 retaliatory tax assessments and 325 returns that showed no tax liability, of which 165 were for life, casualty, and title insurers, and 160 for ocean marine insurers.

[f] Includes $43,872,613 in 1984 and $50,262,105 in 1985 assessed against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

[g] Refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976 have been deducted.

[h] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976; see Chapter 938, Statutes of 1975.

[i] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[j] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[k] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[l] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[m] The gross premium tax was first enacted in 1911 at a rate of 1.50 percent on premiums collected in 1910. The rate was raised to 1.75 percent in 1913 and 2.00 percent in 1915.

(ELECTRICAL) ENERGY RESOURCES SURCHARGE

TABLE 34—ENERGY RESOURCES SURCHARGE REVENUE, 1974–75 to 1985–86
(In thousands of dollars)

Fiscal year	Revenue
1	2
1985–86	$34,824
1984–85	34,432
1983–84	32,131
1982–83	30,729
1981–82	30,994 [a]
1980–81	23,817 [b]
1979–80	19,022 [c]
1978–79	18,066 [d]
1977–78	17,670 [e]
1976–77	13,989
1975–76	13,250
1974–75	1,885 [f]

[a] Effective September 1, 1981, the tax rate was increased to $0.0002 per kilowatt hour, the maximum allowed under the law. The surcharge was permanently set at the maximum authorized rate in September 1982.

[b] Effective September 1, 1980, the tax rate was increased to $0.00016 per kilowatt hour from $0.00015. Effective March 1, 1981, the rate was increased to $0.00019.

[c] Effective September 1, 1979, the tax rate wasfincreased to $0.00015 per kilowatt hour from $0.0001.

[d] Effective September 1, 1978, the tax rate was reduced to $0.0001 per kilowatt hour from $0.00014.

[e] Effective September 1, 1977, the tax rate was increased to $0.00015 per kilowatt hour from $0.0001. Effective March 1, 1978, the tax rate was reduced to $0.00014. Effective January 1, 1978, purchase of electrical energy from the United States government or its agencies used in California became subject to the surcharge.

[f] This tax became effective January 1, 1975 at a rate of $0.0001 per kilowatt hour on the consumption of electrical energy in California.

TELEPHONE TAXES

TABLE 35—EMERGENCY TELEPHONE USERS (911) SURCHARGE AND (MOORE) UNIVERSAL TELEPHONE SERVICE TAX REVENUE, 1978–79 TO 1985–86

(In thousands of dollars)

Fiscal year	Emergency telephone users surcharge [a]	Universal telephone service tax [b]
1	2	3
1985–86	$34,437	$83,707
1984–85	30,178	57,637
1983–84	25,356	
1982–83	23,057	
1981–82	20,052	
1980–81	15,759	
1979–80	15,142	
1978–79	14,069	
1977–78	8,747	

[a] This tax became effective July 1, 1977 at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every service suppliler is required to collect the surcharge from the service user at the same time billings for services are collected.

[b] This tax became effective July 1, 1984 at a rate of 4 percent on the gross revenues received by each designated service supplier in California from intrastate telecommunications service.

FEDERAL, STATE, AND LOCAL TAX COLLECTIONS

TABLE 36—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1985–86

(In thousands of dollars)

Fiscal year	Federal taxes [a]	State taxes other than disability insurance [b]	Local taxes and ad valorem assessments [c]	Total
1	2	3	4	5
1985–86	n.a.	32,756,530	15,637,000 [d]	n.a.
1984–85	85,348,500 [d]	31,191,916	14,325,179 [r]	130,865,595 [d]
1983–84	76,623,643	27,546,937	12,972,704	117,143,284
1982–83	70,893,434	23,762,901	11,630,998	106,287,333
1981–82	71,541,870	23,081,477	10,527,278	105,150,625
1980–81	67,149,915	21,290,825	9,369,680	97,810,420
1979–80	58,873,061	20,558,664	8,525,000	87,956,725
1978–79	49,558,113	17,781,295	7,515,000	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [e]	13,873,801	11,442,000	63,312,844
1975–76	28,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,086,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,098,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,865	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,489,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,356,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,358,227	1,116,063	869,460	5,343,750

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,911,457,000 are included in the figure for 1985–86 but the State's unemployment compensation disability tax, on the other hand, which yielded $1,073,125,000 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the state as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1, through September 30.

[r] Revised.

GENERAL INFORMATION

PUBLICATIONS OF THE

CALIFORNIA STATE BOARD OF EQUALIZATION

Copies of free Board of Equalization publications may be obtained at any of the Business Taxes field offices listed on page A-44. For information and prices on publications available at cost, write to the California State Board of Equalization, Forms Management Unit, P.O. Box 1799, Sacramento, CA 95808.

PAMPHLETS AT NO CHARGE

No. 1 Sales and Use Tax Law
No. 2 Uniform Local Sales & Use Tax Law and Transactions & Use Tax Law
No. 3 Use Fuel Tax Law
No. 4 Cigarette Tax Law
No. 5 Alcoholic Beverage Tax Law
No. 6 Motor Vehicle Fuel License Tax Law
No. 7 Tax on Insurers Law
No. 8 Private Railroad Car Tax Law
No. 9 Tax Tips for Construction and Building Contractors
No. 10 Energy Resources Surcharge Law
No. 11 Energy Resources Surcharge Regulations
No. 12 Use Fuel Tax for Vendors and Users—Use Fuel Regulations and Analysis
No. 14 Motor Vehicle Fuel License Tax Regulations
No. 15 Cigarette Tax Regulations
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No. 18 Tax Tips: Sales Tax Guide for Volunteer and Nonprofit Fund Raising Organizations
No. 20 California Emergency Telephone Users Surcharge Law
No. 21 State Board of Equalization
No. 22 Tax Tips for the Dining and Beverage Industry
No. 24 Tax Tips for Package (Off-Sale) Liquor Stores
No. 25 Tax Tips for Auto Repair Garages and Service Stations
No. 27 Tax Tips for Drug Stores
No. 28 Business Tax & Property Tax Information for City and County Officials
No. 29 Property Tax Facts for Policy Makers
No. 31 Tax Tips for Grocery Stores
No. 32 Tax Tips for Sellers Making Sales for Resale or Export to Purchasers from Mexico
No. 34 Tax Tips for Motor Vehicle Dealers (New & Used)
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No. 36 Tax Tips for Veterinarians
No. 37 Tax Tips for the Graphic Arts Industry
No. 38 Tax Tips for Advertising Agencies
No. 39 Emergency Telephone Users Surcharge Regulations
No. 40 Tax Tips for the Watercraft Industry
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No. 45 Tax Tips for Hospitals
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No. 48 Church Exemption; Relilgious Exemption; and Religious Aspects of the Welfare Exemption
No. 59 Local Motor Vehicle Fuel Taxation Law
No. 60 Hazardous Substances Tax Law
No. 61 Exemptions and Exclusions from Sales and Use Taxes
No. 62 Tax Tips for Locksmiths
No. 63 Universal Telephone Service
No. 64 Tax Tips for Jewelry Stores
No. 66 No. 66 Tax Tips for Retail Feed and Farm Supply Stores
No. 67 Instructions for Reporting State-Assessed Property

INDIVIDUAL COPIES AT NO CHARGE

Sales and Use Tax Regulations *
Uniform Local Sales and Use Tax Regulations *
Transactions (Sales) and Use Tax Regulations *
Motor Vehicle Fuel License Tax Regulations *
Use Fuel Tax Regulations *
Tax Information Bulletin (published quarterly) *
State of California Sales Tax Reimbursement Schedules
Property Tax Rules *
Annual Calendar of Board Meetings
List of Board of Equalization Publications Available to the Public
Taxable Sales in California (published quarterly)
Annual Report of the State Board of Equalization
Hearing Procedures of the State Board of Equalization

PUBLICATIONS AT COST

Business Taxes Law Guide
Property Taxes Law Guide
Business Taxes Audit Manual

IF YOU ARE IN DOUBT ABOUT HOW THE SALES AND USE TAX LAW APPLIES, PLEASE LET US KNOW.

Although the Board staff will provide verbal responses to your questions, you are encouraged to write or visit the nearest Board of Equalization Office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe all the facts.

Effective January 1, 1985, the Board may relieve taxpayers of tax, interest, and penalties where the Board finds that the failure to make a timely return or payment of sales or use tax was due to the taxpayer's reliance on written advice from the Board. This relief is available only when there has been written advice by the Board staff in response to a written request from a specific taxpayer, who described fully the specific facts and circumstances of the activities or transactions for which the advice was requested. (Assembly Bill 3338, Chapter 1728, Statutes of 1984)

* When requesting these items please designate specific regulation, rule, or issue.

CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

District	Board Members—1987	Office Address	Area Code	Telephone Number
First	WILLIAM M. BENNETT	1020 N St., Sacramento 95814	916	445-4081
Second	CONWAY H. COLLIS	901 Wilshire Blvd., Suite 210, Santa Monica 90401	213	451-5777
		From L.A.	213	852-5024
Third	ERNEST J. DRONENBURG, Jr.	110 West C St., Suite 1709, San Diego 92101	619	237-7844
Fourth	PAUL CARPENTER	4040 Paramount Blvd., Suite 103, Lakewood 90712	213	429-5422
State Controller	GRAY DAVIS	300 Capitol Mall, Sacramento 95814	916	445-2636
SACRAMENTO HEADQUARTERS	DOUGLAS D. BELL, Executive Secretary	1020 N St., Sacramento 95814	916	445-6464

California Cities Business Taxes Field Offices	Office Hours 8–5 Unless Otherwise Listed Below	Office Address	Area Code	Telephone Number
Arcadia		20 E. Foothill Blvd., 91006	818	350-6401
		From L.A.	213	681-6675
Auburn	8-12 & 1-5 M thru F	550 High St., Suite 3, 95603	916	885-8408
Bakersfield		525 18th St., 93301	805	395-2880
Bishop	8-12 & 1-5 M thru F	407 W. Line St., Room 3, 93514	619	872-3701
Chico	8-12 & 1-5 M thru F	8 Williamsburg Lane, 95926	916	893-0266
Covina		233 N. Second Ave., 91723	818	331-6401
Crescent City	8-12 & 1-5 M thru F	1080 Mason Mall, 95531	707	464-2321
Culver City		3861 Sepulveda Blvd., Caller Box 3652, 90231-3652	213	313-7111
		From L.A.	213	879-0600
Downey		11229 Woodruff Ave., 90241	213	803-3471
		From L.A.	213	773-3480
El Centro	8-12 & 1-5 M thru F	1699 W. Main St., Suite H, 92243	619	352-3431
Eureka	8-12 & 1-5 M thru F	1656 Union St., Room 119, 95501	707	445-6500
Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hayward		795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Lakewood		4040 Paramount Blvd., Suite 100, 90712	213	421-3295
		From L.A.	213	636-2466
Marysville		922 G St., 95901	916	741-4301
Merced	8-12 & 1-5 M thru F	3191 M St., Suite A, 95340	209	383-2831
Modesto		1020 15th Street, Suite E, 95354	209	576-6360
Nevada City	8-12 & 1-5 M thru F	301 Broad St., 95959	916	265-4628
Oakland		1111 Jackson St., Room 7072, 94607	415	464-0347
Ontario	8-12 & 1-5 M thru F	320 West G St., Suite 105, 91762	714	983-5969
Oroville	8-12 & 1-5 M thru F	2445 Oro Dam Blvd., Suite 3A, 95966	916	534-2359
Palmdale	8-12 & 1-5 M thru F	37925 Sixth St., East, 93550	805	947-8911
Placerville	8-12 & 1-5 M thru F	3441 Placerville Dr., Suite 12, 95667	916	622-1101
Pleasant Hill		395 Civic Dr., Suite D, 94523	415	687-6962
Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
Rancho Mirage	8-12 & 1-5 M thru F	42-700 Bob Hope Drive, Suite 301, 92270	619	346-8096
Redding		391 Hemsted Dr., 96099	916	225-2725
Sacramento		1891 Alhambra Blvd., 95816	916	739-4911
Salinas		21 W. Laurel Dr., Suite 79, 93906	408	443-3008
San Bernardino		303 W. Third St., Suite 500, 92401	714	383-4701
San Diego		1350 Front St., Room 5047, 92101	619	237-7731
San Francisco		350 McAllister St., Room 2262, 94102	415	557-1877
San Jose		100 Paseo de San Antonio, Room 307, 95113	408	277-1231
San Luis Obispo	8-12 & 1-5 M thru F	940 Chorro St., 93401	805	549-3131
San Marcos		365 So. Rancho Santa Fe Road, 92069	619	744-1330
San Mateo		177 Bovet Rd, Suite 250, 94402	415	573-3578
San Rafael		7 Mt. Lassen Drive, Suite B-136, 94903	415	472-1513
Santa Ana		28 Civic Center Plaza, Room 239, 92701	714	558-4051
Santa Barbara		411 E. Canon Perdido St., Room 11, 93101-1589	805	965-4535
Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	458-4861
Santa Maria	8-12 & 1-5 M thru F	325 East Plaza Dr., Bldg 3, Suite 4, 93454	805	925-7417
Santa Rosa		50 D Street, Room 215, 95401	707	576-2100
Sonora	8-12 & 1-5 M thru F	1194 N. Highway 49, 95370	209	532-6979
South Lake Tahoe	8-12 & 1-5 M thru F	2489 Lake Tahoe Blvd., Suite 7, 95705	916	544-4816
Stockton		31 E. Channel St., Room 264, 95202	209	948-7720
Susanville	9-1 M thru F	63 N. Roop St., 96130	916	257-3429
Torrance		690 West Knox St., 90507-0270	213	516-4300
		From L.A.	213	770-4148
Ukiah	8-12 & 1-5 M thru F	620 Kings Court, Suite 110, 95482	707	462-1988
Vallejo		704 Tuolumne St., 94590	707	648-4065
Van Nuys		6150 Van Nuys Blvd., 91401	818	901-5293
Ventura		2590 E. Main St., Suite 101, 93003-2619	805	654-4523
Visalia		111 S. Johnson St., Suite E, 93291	209	732-5641
Woodland	8-12 & 1-5 M thru F	96 W. Main St., Suite 2, 95695	916	662-7331
Yreka	8-12 & 1-5 M thru F	1217 So. Main Street, 96097	916	842-7439
Out-of-State Field Offices				
Sacramento Headquarters		1820 14th St., 95814	916	322-2010
Chicago, Illinois		150 N. Wacker Dr., Room 1400, 60606	312	782-7253
New York, N.Y.		675 Third Ave., Room 520, 10017	212	697-4680
Houston, Texas	(By appointment)	9800 Northwest Freeway, Ste. 108, 77092	713	681-1106

Property Taxes Offices			
Eureka (Timber)	1656 Union Street, Room 120, 95501	707	445-6502
Fresno (Assessment Standards)	2550 Mariposa St., Room 2020, 93721	209	445-5305
Hayward (Assessment Standards—Valuation)	795 Fletcher Lane, 94544	415	881-3584
Orange (Assessment Standards)	140 S. Flower St., Suite 101, 92668	714	634-9133
Orange (Valuation)	140 S. Flower St., Suite 102, 92668	714	634-9118
Redding (Timber)	2400 Washington Ave., Suite 210, 96001	916	225-2670
Sacramento (Administration)	1719 24th Street, 95816	916	445-1516
Sacramento (Assessment Standards)	1719 24th Street, 95816	916	445-4982
Sacramento (Timber)	1719 24th Street, 95816	916	445-6964
Sacramento (Valuation)	1719 24th Street, 95816	916	445-2323